

Pacific Industrial Group

# Code of Conduct

思いをこめて、あしたをつくる  
Passion in Creating Tomorrow

# Pacific Industrial Group Code of Conduct

## What is the action guideline?

In order to realize the brand slogan, we think about the impact of companies on stakeholders, and share the principle "Principles of Conduct" for each member of the Pacific Industrial Group to act with high ethical standards and integrity as a sensible member of the global society.

The basic attitude shown in this "Principles of Conduct" has been revised from the previous "Action standard" that has been specifically defined as a standard of action for practicing in daily business activities, and the name has been changed to "Action Guideline".

If you violate these Action guidelines, you may be subject to disciplinary action based on the employment regulation

## The scope of the application

This action guideline applies to all employees (contract employees, part-time and temporary employees) of the Pacific Industrial Group (Pacific Industrial co., ltd. and its consolidated subsidiaries).

## General rules

1. We will respect international rules related to corporate activities and comply with domestic and international laws and regulations.
2. We will comply with company regulations such as employment regulations, and if in doubt, consult with your supervisor or manager before taking action.
3. We will carry out our work with good sense, professional insight and sense of responsibility of each person, and strive to contribute to society.

# 1 Basic principles

We practice compliance and promote sustainability management

## (1) Compliance with laws and ethics

[Department in charge] General Administration Dept.

We comply with company regulations such as domestic and international laws, social norms and employment regulations, and strive for sensible business activities that are trusted by society.

We understand the trends of enactment, revision and abolition of laws and regulations related to daily business activities, and carry out legal and appropriate business activities.

- Understand and comply with domestic and international laws and ethics and our company rules.
- Realize your responsibility as a member of Pacific Industrial group and always behave in a sensible manner.
- Do not tolerate, instruct, or entice violations of laws, ethics, etc.
- Find signs that cause fraud and scandals early, and strive for improvement.
- Strive to collect and understand laws and regulations related to our business and actions.
- Officers, managers and supervisors practice compliance with laws, ethics and rules, and take the initiative to set an example for their subordinates.

## (2) Business activities based on sustainability

[Department in charge] Corporate Planning Dept. General Administration Dept.

We work on social issues such as health and welfare, job satisfaction, human rights, resources, and climate variability, carry out business activities (sustainability management) from a long-term perspective that are trusted by stakeholders, and contribute to the creation of a sustainable society.

# 2 Safety & Quality We strive for improving safety and quality

## (1) Health and safety at your workplace

[Department in charge] Safety & Environment Dept.

We endeavor to ensure a work environment where employees can work safely and with peace of mind, and we comply with laws and regulations related to safety, health and company regulations to prevent industrial accidents.

- Everyone practices the basic safety behavior of "po, ke, te, na, shi" and raises safety awareness from daily activities.
- Fully understand safety laws and safety standards, and if you feel there is a problem with safety, "report, contact, and consult" with the relevant departments and take appropriate measures.

- In the event of an industrial accident, minimize the accident and rescue the sufferer, then make a prescribed report and take measures to prevent recurrence.
- Make sure to inspect safety devices before starting work.
- Wear the prescribed protective equipment. at the production site.
- In the event of an abnormality at the production site, "stop", "call", and "wait".
- Carry out 4S (Sort, Set in order, Standardize, Scrub) and KY (Kiken Yochi: risk prediction) activities in your workplace on a daily basis.
- Promote risk assessment and strive for risk reduction and continuous improvement toward zero industrial accidents.
- Keep in mind physical and mental health management and health promotion on a daily basis.
- These health and safety action guidelines shall also be applied to temporary employees and external contractors working in our facilities, and we provide safety and health training as necessary.

## (2) Quality improvement

[Department in charge] Quality Assurance Dept., Manufacturing Dept.

Each and every one of us plays a leading role in making local spots and sending information from the site, and we continue to make steady and thorough improvements, build quality in the process, and strive for continuous quality improvement.

- Comply with work standards and work procedures, promote work environment improvement, eliminate Muri, Muda, Mura (unreasonableness, waste, and inconsistency) and promote improvement.
- When an abnormality occurs, "stop", "call", and "wait". Take reliable measures and perform retroactive checks to prevent defective products from being sent to the following process.
- Identify the occurrence of defects at the production site, investigate the root cause and implement countermeasures, and strive to create a mechanism and maintain management that can prevent recurrence.
- Incorporate standardization of countermeasures and non-defective product conditions from the design / production preparation stage to build quality.

## (3) Customer satisfaction improvement

[Department in charge] Sales Dept., Quality Assurance Dept., Manufacturing Dept.

We strive to communicate with our customers on a daily basis and strive to provide high-quality, environmentally friendly products and services that are trusted and satisfied by our customers.

# 3 Respect for human rights and improvement of working environment

Strive to create a healthy, safe and secure working environment

## (1) Respect for human rights and prohibition of discrimination

[Department in charge] Human Resources Dept.

We respect the diverse values and basic human rights of individuals, and do not discriminate on the grounds of race, gender, etc., or infringe on human rights.

- Do not prejudice or discriminate on the basis of birth, nationality, race, ethnicity, beliefs, religion, gender, age, body, hobbies, academic background, sexual orientation / gender identity, etc.
- Fairly evaluate the ability, aptitude, and achievements of the person, and do not treat them as advantageous or disadvantageous in recruitment, training, transfer, promotion, etc.

## (2) Harassment

[Department in charge] Human Resources Dept.

In the workplace, we respect the personality and rights of the other person and do not do anything that makes the other person or others uncomfortable.

### 【Sexual harassment】

- Do not engage in sexual behavior, coercion of sexual relations, or invitation to a party that the other person does not want to join. In addition, you must not treat him/her unfairly, such as unfair evaluation or reassignment, because s/he rejects you.

### 【Power harassment】

- Do not violate human rights by violence, swearing, slander, bullying, etc.
- Do not speak with unnecessary strong tone of voice. Do not take intimidating attitude, or offensive behavior.

### 【Other harassment】

- Do not harass the other person due to her pregnancy, childbirth, his/her child/nursing care, catching an infectious disease etc.

## (3) Prohibition of forced labor and child labor

[Department in charge] Human Resources Dept.

- We guarantee that all work is voluntary and that employees can leave their jobs freely, and do not force labor.
- We respect the provisions of international norms based on the laws and regulations of each country and region, and do not engage in child labor.
- Do not require a person to deposit his/her ID, passport, or work permit.

## (4) Improvement and enhancement of a comfortable working environment

[Department in charge] Human Resources Dept., Safety & Environment Dept.

We strive to maintain a healthy working environment that is comfortable to work in, and achieve work-life balance.

- Practice thorough management of working days, working hours, etc. within the scope stipulated by the Labor Standards Act.
- Observe the minimum wage and extra wages based on laws and regulations.
- Declare and approve correct business hours.
- Prioritize and promote your work in a planned way, and strive to improve work quality and efficiency.
- Promote paid leave in a planned way and make effective use of leisure time.
- Managers always pay attention to the physical and mental health of their subordinates.
- Strive to prevent health problems caused by overwork and promote mental health care.
- Strive to promote various measures that make all employees realize their work-life balance.

## (5) Promotion of diversity and inclusion

[Department in charge] Human Resources Dept.

In addition to the diversity of external attributes such as people from different countries, people with disabilities, and the elderly, each person's differences, including individuality, strengths / weaknesses, health status, personality, creed, and sexual orientation, are valued and highly evaluated. We also strive to improve the company environment and climate (inclusion) where individual abilities can be demonstrated.

- Consider diversity in hiring and transferring, and create an environment and culture in which individual abilities can be demonstrated.

## (6) Freedom of dialogue / discussion and association with employees

[Department in charge] Human Resources Dept.

We build sound labor-management relations through sincere discussions with employees and labor unions.

## (7) Promotion of human resource development

[Department in charge] Human Resources Dept.

We actively train employees by rank and function, provide OJT and self-development, and develop human resources who can play an active role globally and create innovation and value in business.

- Strive to improve your ability through active self-development.
- Provide training by rank and function, and strive to acquire the knowledge, skills, and skills necessary for

work and improve human power.

- Strive to improve language skills and understand different cultures so that you can communicate smoothly with people with diverse cultures and values.
- Strive for OJT and pass down technology and skills.
- Promote further independence of overseas group companies by developing human resources and actively promoting local employees of overseas group companies.

## 4. Sincere and fair business activities

We conduct open and fair business activities.

### (1) Building sound relationships with politics and administration, preventing corruption

[Department in charge] General Administration Dept., Corporate Planning Dept.

Political donations / donations, entertainment / gifts for our customers, etc. will be made in accordance with the laws and regulations of each country / region, and efforts will be made to build sound relationships with politics / administration.

- Always make various donations in accordance with laws and internal regulations.
- Do not provide entertainment or gifts to public employees that violate laws and regulations or other regulations stipulated by each government agency.

### (2) Responsible resource and raw material procurement

[Department in charge] Procurement Sect.

We implement procurement in consideration of the impact on the region by using conflict minerals (produced in the Democratic Republic of the Congo and surrounding countries that are the source of funding for armed groups in the region) that may cause social problems such as human rights and the environment. We do not use it if there is concern.

### (3) Implementation of CSR procurement

[Department in charge] Procurement Sect.

When conducting procurement activities, we strive to consider the environment and society by conducting supplier surveys, evaluations, analyzes, and corrections in accordance with the Supplier CSR Guideline.

### (4) Appropriate licensing and notification procedures

[Department in charge] General Administration Dept., Plant management Div.

We ensure that all procedures for obtaining permits and notifications are complete, and we do not intentionally neglect the notifications that need to be reported, falsify data, or otherwise lose the trust from society.

## (5) Breaking relationships with antisocial forces

[Department in charge] General Administration Dept.

Demonstrate a definite attitude against antisocial forces (such as gangsters) that threaten the order or safety of civil society; "do not use them", "do not be afraid of them", "do not give them money", and "do not associate with them".

We have nothing to do with them.

- Confirm in advance that new customers / suppliers are not antisocial forces.
- Refuse suspicious sales / solicitation calls.
- Do not open unexpected mail, books, etc.
- Do not give money etc. to unreasonable demands from antisocial forces.

## (6) Compliance with export / import related laws and regulations

[Department in charge] Sales Dept., Procurement Sect., Export Div.

When exporting / importing products and providing / supporting technology overseas, we take appropriate procedures in accordance with relevant laws and regulations.

- Make sure that the exported / imported goods are not legally prohibited products and that the exported products are not used for weapons.
- When taking out technical materials such as drawings, recording media such as flash drives, and material samples overseas, take appropriate procedures in accordance with laws and regulations.
- Understand the relevant laws and regulations, and if there are any doubts about export / import procedures, check with the related government ministries or specialists.
- When ordering dies from an overseas local die manufacturer and importing products from the local product manufacturer, make sure the die price which is provided to the product manufacturer and the technical guidance fee to the product manufacturer are properly evaluated and declared when the product is imported.

## (7) Proper transaction with suppliers

[Department in charge] Procurement Sect.

When selecting a supplier, we make a fair and impartial comparative evaluation to determine the most suitable supplier.

- When selecting a supplier from multiple vendors, consider comprehensively their conditions such as quality, price, delivery date, technological development capability, stable supply, credit status, continuous



improvement, and attitude / system that considers the environment and society, etc.

- Do not give preferential treatment to specific suppliers, do not provide favorable accommodations to them.

## (8) Compliance with the Subcontract Act

[Department in charge] Procurement Sect.

**When conducting transactions with suppliers, we fully understand the Subcontract Act and the Subcontract Transaction Optimization Guidelines, and conduct transactions legally.**

- Do not make price decisions that are considered to be "abuse of buying power" using the superior position of the purchaser.
- Urgent orders from departments other than those in charge of ordering are placed by persons in supervisory positions or higher, and the department in charge of purchasing is notified to that effect.
- At the time of ordering, an order form stating necessary items such as subcontract price must be delivered. If it is difficult to enter the price in an emergency, issue an order form stating the reason why it cannot be stated.
- Do not unilaterally reduce the price set at the time of ordering or apply the new price retroactively before the price agreement.
- Payment must be made within the period stipulated by law from the date of receipt of the goods. In particular, if the product is delivered at the end of the month without a delivery note, the product must be inspected within the same month as the delivery by contacting the vendor immediately.
- Utilizing the superior bargaining position of the purchasing side, do not forcibly purchase goods, etc., or perform unreasonable internal interference with our business partners.
- The payment site does not issue long-term, difficult-to-discount bills.

## (9) Compliance with competition law (antitrust law)

[Department in charge] Sales Dept., Procurement Sect.

**We compete fairly and freely between companies without taking any action that violates the Antimonopoly Act, such as participating in cartels, maintaining resale prices, or abusing dominant bargaining positions.**

- Do not exchange information such as raw material prices and selling prices with other business operators.
- Do not instruct sales agents or trading companies about the selling price of their products.

## (10) Entertainment / Gift (Acceptance / Implementation)

[Department in charge] General Administration Dept., Accounting Dept.

When entertaining or giving gifts to customers or business partners, prior approval and reporting is given, and the content of the implementation is within the scope of social rituals.

- When entertaining or receiving entertainment, obtain the prior approval of the officer in charge and report the results.

## (11) Correct accounting and tax processing

[Department in charge] Accounting Dept.

Registration in accounting books and entry in slips is carried out in accordance with relevant laws and internal regulations.

- Never make false or fictitious entries in accounting books / slips, double-count expenses, or create fraudulent evidence.
- Do not request business partners to create receipts that are not true.

## (12) Protection of intellectual property rights

[Department in charge] Engineering Div., General Administration Dept., Information System Sect.

We protect the results of the company's intellectual activities with intellectual property rights (patent rights, utility model rights, design rights, trademark rights, copyrights, trade secrets, etc.) and strive to protect those rights by making effective use of them.

- Recognize that our intellectual property rights are important corporate property, and maintain, manage and conserve them appropriately.
- Apply for and register results belonging to the company promptly, such as patent rights and trademark rights.
- Strive not to infringe the intellectual property rights of other companies, by investigating them regularly.
- Do not illegally copy computer software, upload or download illegal copyrighted works.
- Do not copy or publish the contents of newspapers, magazines or websites without permission.

## (13) Management of confidential information

[Department in charge] General Administration Dept., Information System Sect.

We do not acquire confidential information of our company or other companies by improper means. In addition, we strictly manage information about our company and customers so that it will not be leaked to the outside.

- Do not disclose confidential information obtained in the course of business and do not disclose to a third party even during employment or after retirement.
- Do not copy or take out documents, materials, recording media, etc. containing confidential information unless it is necessary for business.
- When disposing media such as personal computers / peripherals and DVDs / CDs, reduce the risk of information leakage by using data erasing software or physical destruction.
- Strictly manage IDs and passwords individually to prevent unauthorized use.
- Encrypt attachment files if your job requires confidential information to be included in emails to outside companies. Exchange CAD data for design etc. via a dedicated system

## (14) Personal information protection

[Department in charge] Human Resources Dept., General Administration Dept., Corporate Planning Dept.

Personal information of employees and outside the company that we have learned in the course of business is used only for business purposes and strictly managed. In addition, we strictly manage this information so that it will not be leaked to the outside.

- Do not acquire unnecessary personal information. When acquiring, be sure to clarify the purpose of use.
- Discard personal information that is no longer needed. When disposing, shred the documents and destroy electronic media physically.
- Do not leak personal information such as a list of employees to the outside.
- Keep documents and electronic media containing personal information in lockable shelves, etc.
- Do not acquire, use, or provide My Number for purposes other than those stipulated by laws and regulations and our company regulations.

## (15) Correct use of information systems

[Department in charge] Information System Sect.

In order to prevent leakage of confidential information and business suspension due to computer virus infection, we use personal computers and various information systems appropriately, including those owned by individuals.

- Do not bring devices other than the permitted one into the company or connect to the company network.
- Take out your company's personal computer, USB memory, etc. only with permission, always pay close attention to loss, theft, and damage, and do not use it for private purposes.
- When handling mobile devices such as company PCs outside the company, beware of theft and damage. Manage them with responsibility.
- Only the specified / permitted software should be installed on the company PC s .

- For anti-virus measures, follow company rules and always check that the anti-virus software is operating in the latest state.
- Even if you own a PC, take necessary anti-virus measures and do not use PCs with insufficient or inappropriate settings.
- Do not connect to the internal network from outside the company without permission.
- If there is a virus infection or risk of virus infection, disconnect the computer from the network and contact the system department.
- Do not post information, photos, videos, etc. about the company using personal SNS etc.
- Perform daily data backup in case of data loss due to PC failure or virus infection.

## (16) Information disclosure and public relations activities to stakeholders.

[Department in charge] General Administration Dept., Accounting Dept., Corporate Planning Dept.

We disclose information such as the environment, financial status / performance, and business activities to stakeholders in a timely and appropriate manner, and strive to maintain and develop mutual understanding and relationships of trust with stakeholders through open and fair communication.

- Promote communication with stakeholders by issuing sustainability reports, etc., and holding regional social gatherings.
- Take the opinions and criticisms made by our stakeholders seriously and strive to reflect them in our future business activities.
- Do not ruin the trust of stakeholders, such as disclosing information that is not true or intentionally concealing the content to be announced.
- If you want to disclose company information in response to interviews with the press or securities analysts, consult with Corporate Planning Dept. in advance.
- Do not use any expressions that slander other companies or others, or terms that lead to social discrimination in public relations materials.

## (17) Behavior in the event of a disaster

[Department in charge] General Administration Dept.

In the event of a disaster, we strive to restore the region and production as soon as possible, with the first priority being to secure the lives of employees and local residents.

【Normal time】

- Understand how to use fire extinguishers and fire hydrants during normal times, and check emergency evacuation routes.
- All employees understand the "Action standard in the Event of an Earthquake".
- For disasters that are expected to occur in the near future, such as wind and flood damage and the spread of infectious diseases, we implement countermeasures such as preparing contingency supplies

and establishing guidelines.

#### 【Emergency】

- In the event of a fire, evacuate immediately, notify the fire department, ask for help from the surroundings, and strive for first-aid firefighting and prevent the spread of fire.
- Ensure your safety immediately when an Earthquake Early Warning is issued.
- After the occurrence of an earthquake and when the shaking subsides, start evacuation. Check the safety of your family when the situation calms down.
- Minimize damage by carrying out actions (information transmission, restoration, etc.) that each person is in charge of.

## 5. Ethical behavior

Do not use your business position privately.

### (1) Prohibition of insider trading

[Department in charge] General Administration Dept.

You must not buy or sell the shares of companies before the inside information of those companies or business partners is disclosed.

- You must not share company information such as business alliances, new product development, financial results information, etc. before publication even with family and friends.
- Employees who fall under the Insider Trading Management Regulations must notify the company in advance when buying or selling our shares.
- If you know inside information about a business partner etc., you must not buy or sell the stock of the business partner before the information is released.

### (2) Proper use of a company seal

[Department in charge] General Administration Dept., Corporate Planning Dept.

When stamping a company seal on a contract or approval document, apply for the stamp in accordance with company seal administration regulations.

### (3) Compliance with traffic rules, etc.

[Department in charge] General Administration Dept.

Observe traffic rules and try to drive safely as a model driver.

- Never drink and drive. Never use cell phone while driving. Never overspeed. Never tailgate. Wear a seatbelt.

- Strive to improve traffic etiquette, such as compassion for children and the elderly, protection of pedestrians on the crosswalk, and a spirit of compromise.
- Be sure to undergo legal inspections and do not modify the car illegally.
- Be sure to take voluntary insurance for the commuter vehicle and register the vehicle with the company.

## (4) The discipline of the workplace

[Department in charge] Human Resources Dept.

We comply with employment regulations, company regulations, etc., maintain good order in the workplace, and carry out our duties in good faith.

## (5) Prohibition of conflicts of interest

[Department in charge] Human Resources Dept., General Administration Dept.

We do not do anything that conflicts with or may conflict with the interests of the individual and the company.

- Do not engage in businesses that compete with the company without the permission of the company
- Do not pursue personal interests using information, relationships, customer lists, etc. obtained through work

## (6) Correct use of company assets

[Department in charge] General Administration Dept.

We treat company assets carefully and do not use company assets for personal purposes.

- We will handle the company's facilities, machines, appliances, rental items, etc. carefully and strive to save materials and consumables.
- Do not take the goods that are the property of the company home. Do not use them privately.
- Do not settle private expenses as company expenses.

# 6. Environment

We carry out business activities in harmony with the natural environment.

## (1) Environment conservation

[Department in charge] Environmental Affairs Sect.

We always recognize the importance of environmental conservation in all our business activities, comply with various environmental laws and regulations, and actively engage in environmental conservation activities based on our "Environmental Policy".

- Comply with environmental laws and regulations, and immediately report any accidents or violations to your supervisor / department in charge.
- To prevent global warming (climate variability), strive to reduce energy consumption such as electricity, heavy oil, and gas, improve energy efficiency, and actively introduce renewable energy.
- Design and develop environment-friendly products and manufacture with environment-friendly equipment and processes.
- At work and at home, strive to save electricity, save water, paperless, and separate garbage, and actively promote environmental conservation activities.
- Strive to reduce waste and water use, and promote resource saving and recycling based on the idea of 3R (Reduce, Reuse, and Recycle).
- Strive for eco-driving (gentle driving, tire pressure check, idling stop while parked, etc.).
- Actively promote green procurement.

## 7. Social contributions

We promote social contribution activities rooted in countries and regions

### (1) Social contributions

[Department in charge] Human Resources Dept., General Administration Dept., Environmental Affairs Sect.

In addition to contributing to the sustainable development of society through close cooperation with the local community, we also carry out various social contribution activities (academic / cultural / sports support, volunteer activity participation support, international community contribution, etc.) and build a bond with the local community.

- Participate in volunteer cleaning around the company and in the local area.
- Participate in social contribution activities such as reconstruction support, social welfare, and community events.
- Participate in various activities such as administration, culture, education, and sports in the area where you live.
- Strive to promote various ecosystem conservation activities, including the "Pacific Satoyama Forest" activity.
- In each country, carry out activities such as training the next generation, donations, and education / health / research support.

### (2) Harmony with the international community

[Department in charge] Human Resources Dept., General Administration Dept., Corporate Planning Dept.

We respect the culture and customs of each country and region, and strive to contribute to the international community.

- Actively understand, respect, and make the most of the differences in diverse cultures and perspectives.



# Report/Consultation

If you find a fact that violates or may violate a law, Principles of Conduct, or action guidelines, do not hold it alone, but immediately consult with one of the following methods before the problem becomes serious.

Since May 2016, we have set up an independent consultation counter that accepts voices from outside business partners regarding violations of Pacific Industrial laws and regulations, employee etiquette and behavior.

- ① Immediate supervisor
- ② Compliance manager in each department
- ③ General Administration department
- ④ Report / consultation counter

In principle, please write your name when reporting / consulting in order to promptly investigate the facts of the content of the report / consultation and report the investigation results and measures to the reporter / consulter.

Please be assured that the privacy of the reporter / consulter will be protected and that s/he will not be treated unfavorably at all.

## Internal contact

### Ethics / complaint consultation counter

An in-house consultation counter regarding compliance, such as violations of laws and regulations and action guidelines.

E-mail	<a href="mailto:rinri@pacific-ind.co.jp">rinri@pacific-ind.co.jp</a>
Mail	100 Kyutoku-Cho, Ogaki, Gifu, 503-8603, Japan HR/GA Officer
Consultation box	Installed at the head office and each factory cafeteria
Phone	0584-93-0100 Extension 71-5000

## External contact

### An independent consultation counter

This system uses outside officers and corporate auditors who have a third-party position independent of management as the reception desk.

E-mail	<a href="mailto:hotline@pacific-ind.co.jp">hotline@pacific-ind.co.jp</a>
Mail	100 Kyutoku-Cho, Ogaki, Gifu, 503-8603, Japan Independent consultation counter

# 思いをこめて、あしたをつくる

## Passion in Creating Tomorrow

Through the development of new businesses, new technologies,  
and new products that contribute to improving safety, environment, and comfort performance,  
we want to continue to grow as a company that is trusted and expected by society.

We have formulated a “brand slogan.” Looking ahead to a mobility society,  
we will create the future with passion, aiming to be a manufacturing company  
that can propose a prosperous, safe and secure future,  
and a company that contributes to the realization of a sustainable society.

### Pacific Industrial Group Action Guideline [Third edition]

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