

Compliance Policy

INOAC Group's Compliance and Ethics Program and Compliance Management Regulations are designed to guide the business activities of INOAC Group companies around the world ("Group Companies"), with a commitment to ethical and lawful practices.

To promote ethical and lawful practices in our business operations, the Compliance Office affirms the following principles that Group Companies must comply with. It is important that Group Companies familiarize themselves with this policy, and conduct their business activities in accordance with this policy.

1 Human Resources, Employment and Workplace

(1) Prohibition of discrimination

We do not tolerate any unfair discrimination based on nationality, gender, age, creed, religion, race, ethnicity, sexual orientation, disability, marital or parental status, or any other personal attribute. We value and respect the individuality of all people involved in our Group.

(2) Prohibition of child labor

We prohibit and condemn child labor in any of our Group businesses, including our factories.

(3) Prohibition of slavery and forced labor

We prohibit and condemn any form of slavery or forced labor within the Group. Every employee working for the Group must do so willingly without coercion.

(4) Prohibition of harassment

We maintain zero tolerance against harassment of any kind, including power harassment, sexual harassment, and harassment related to pregnancy, childbirth, childcare leave, family care leave.

(5) Prevention of information leakage

We must appropriately manage personal information of employees involved in the Group's business. Additionally, we must ensure and maintain appropriate safeguards so that retirees and mid-career hires do not unlawfully use trade secrets or leak confidential information.

2 Finance and Accounting.

(1) Prohibition of embezzlement

We strictly prohibit embezzlement in relation to any of our Group operations. Rigorous payment and billing processes as well as safeguards must be established to prevent any such misconduct.

(2) Taxes

We must comply with all relevant tax laws and regulations.

(3) Accounting

We adhere to principles of proper accounting and closing of accounts.

(4) Prevention of information leakage

It is imperative that we take due care in managing confidential accounting and financial information that one may come to know in the course of business.

(5) Management of documents and seals

It is important that we appropriately manage and store the Group's official documents and seals.

3 Quality Assurance

(1) Prohibition of data falsification

We strictly prohibit and condemn the falsification of data or other information related to our Group's products or services.

(2) Quality assurance and specification

All product specifications and quality assurances must be designed optimally for practical mass production.

(3) Change of appropriate materials and products.

If there are any changes that may impact the quality of the materials used in production or of the finished products, we must follow the appropriate procedure for quality assurance, including but not limited to obtaining the customer approval.

(4) Compliance with laws and regulations

We are dedicated to strict compliance with all laws and regulations governing the quality of the Group's products and data, including but not limited to legal metrology regulations.

(5) Public accreditation and certification

We must manage applications to, and registration and maintenance of, all official accreditation and certification bodies in good faith.

(6) Internal and external information disclosure

In the event that a risk concerning the Group's products or services - which could significantly impact our customers and markets - is identified, necessary information must be disclosed to appropriate entities to minimize and prevent the escalation of damage. We must promptly assess the materiality of the situation, consider whether recalls and other actions are necessary, and engage in dialogue with government authorities.

4 Environmental Matters

(1) Chemical substance management

We must manage chemical substances with utmost care and in accordance with relevant laws, regulations, treaties, and any other legal requirements.

(2) Prevention of water pollution

To prevent water pollution from our operations, we will strictly comply with all relevant laws and regulations.

(3) Prevention of soil pollution

To prevent soil contamination from our operations, we will strictly comply with all relevant laws and regulations.

(4) Prevention of air pollution

To prevent air pollution from our operations, we will strictly comply with all relevant laws and regulations.

(5) Prevention of vibration and noise

To minimize vibration and noise pollution to our environment caused by our operations, to the best of our abilities, we will strictly comply with all relevant laws and regulations.

(6) Waste management

We must appropriately manage and dispose of all waste generated by operations in accordance with relevant laws and regulations and with utmost care.

5 Safety

(1) Prevention of occupational accidents

We are committed to achieving "Zero Occupational Accidents" through continuously improving our workplaces and implementing preventive measures.

(2) Accident response

To prevent the occurrence of accidents resulting from fire, floods, leakage of raw material and other hazards, systems must be established in advance. This includes measures to mitigate the spread of damage in the event such accidents occur.

(3) Working environment and workplace hygiene

Maintaining a healthy working environment that allows all employees to perform their duties effectively is of paramount importance. This includes measures to prevent heat stroke, excessive noise, odor, lighting, among other matters.

(4) Natural disasters

We will diligently prepare for natural disasters such as typhoons, floods, guerrilla rains, landslides, earthquakes, and snow damage. In planning for disaster mitigation, it is prudent to always consider the greatest risk.

6 Procurement

(1) Supply chain management

We are committed to maintaining integrity in our supply chains. To do so we must ensure that our suppliers, subcontractors, and other entities associated with our Group do not engage in any illegal or unethical activities, including human rights violations.

(2) Building healthy relationships

We must not take advantage of our Group's market position and accept kickbacks or extravagant entertainment from suppliers, subcontractors or any other entities, nor shall we solicit such benefits.

(3) Information sharing and management

We must appropriately disclose information to suppliers and other entities and also manage and store information disclosed to us by suppliers and other entities.

(4) Management of conflict minerals and prohibited substances

We are dedicating to excluding conflict minerals from our Group's products. We will also ensure that appropriate chemical substances are used in accordance with INOAC Group Green Procurement Standards.

7 Business Activities

(1) Fair competition

We must strictly adhere to all relevant domestic and foreign competition laws. Contact with competing companies are generally prohibited and if conducted, should be carried out in accordance with the Group's rules.

(2) Anti-corruption

To prevent corruption, offering of gifts, providing for travel or entertainment and other benefits to both domestic and foreign public officials are generally prohibited. If doing so in exceptional cases, it must be conducted in accordance with the rules of the Group and in compliance with the regulations specific to each country or region.

(3) Prevention of misappropriation of trade secrets

We must appropriately monitor retirees and mid-career hires to ensure that they do not illegally use trade secrets or leak information.

(4) Labeling, advertising, and premiums

Labeling, advertising, or offering of premiums must be conducted in compliance with all relevant laws and regulations.

(5) Customer service

We are dedicated to responding sincerely and appropriately to all customer inquiries, including those from general consumers.

8 Information Management

(1) Prevention of malware infection and system development

We prioritize identifying network threats such as ransomware and business e-mail fraud, and to creating a comprehensive system that includes prevention and incident response.

(2) In-house system management

We must properly manage and maintain various internal business systems.

(3) Internal and external network management

We must ensure proper management and monitoring of external and internal networks.

(4) Information management and data privacy

A robust system must be established to ensure that appropriate monitoring and tracking can be performed and that unauthorized data removals do not occur. Personal information shall be managed in compliance with all relevant laws and regulations.

- (5) External information management
To ensure the integrity and confidentiality of our data stored and managed outside the Group, we must appropriately manage and supervise the Group's information.
- (6) SaaS environment
When using business systems managed by external vendors, we must maintain a manual for handling incidents and ensure appropriate use.
- (7) Hardware Management
We must properly manage hardware containing critical information.
- (8) Data tampering
A robust system must be put in place to prevent falsification of important internal information.

9 Technology Management

- (1) Monitoring of technical information
Technical information and intellectual property rights held by the Group must be actively monitored to ensure that retirees and mid-career hires do not illegally use trade secrets or leak confidential information.
- (2) Appropriate specification setting
All technical departments are mandated to set realistic specifications for mass production and obtain approval from the quality assurance department.
- (3) Compliance in Material Selection
In the process of selecting and reviewing materials used, we must strictly comply with all relevant laws and regulations.
- (4) Prevention of Corruption
The Group actively engages in technological innovation with domestic and foreign public research institutions, and in doing so, offering of gifts, travel and entertainment to related public officials and other persons are generally prohibited. If doing so in exceptional circumstances, it must be conducted in accordance with the Group's rules.

10 Export and Import

- (1) Compliance with export regulations
We must operate in strict compliance with all relevant national and regional import and export regulations, including security controls.

(2) Customs compliance

Customs laws and regulations in all relevant countries and regions must be complied with.

(3) Compliance with chemical substance regulations

Through collaboration across departments, we must strictly comply with regulations concerning chemical substances.

The officers and employees of the Group will work with the Compliance Officers who are responsible for their respective areas.

INOAC Group is committed to promoting ethical and legal business practices. To do so, our compliance policies, including this policy, will undergo periodic review and updates.