

The background of the cover is a photograph of a dense forest of tall, slender evergreen trees, likely spruce or fir, growing closely together. The trees are reflected in a calm body of water in the foreground, creating a symmetrical effect. The water's surface is dark and shows subtle ripples. The overall color palette is dominated by various shades of green and dark blue/teal.

YKK GROUP COMPLIANCE BOOK

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About YKK Group Compliance Book

■ What is compliance?

Compliance in YKK Group means “to comply with the laws and regulations and internal rules as well as to observe social norms required for conducting corporate activities”.

Companies can manage risks properly and achieve sound business administration by working on compliance.

Establishing public trust through compliance management makes it possible to further increase our corporate value.

■ This book applies to:

- All the directors/officers and employees of YKK Group companies in Japan (including expatriates overseas)
- Directors/officers and employees of YKK Korea Co., Ltd. and YKK Taiwan Co., Ltd.

■ About this book

This book is made based on YKK Group Code of Conduct (revised in June 2021) and YKK Global Criteria of Compliance (YGCC). If you have any questions in terms of compliance in your daily operations, please refer to this book or consult with your supervisors or relevant departments to take actions properly.

* Laws and regulations and internal rules listed in this book are on the date of issuance and may not reflect current revisions.

* Comparison chart at the end of this book includes main internal rules and major laws and regulations in Japan.

● YKK Group Code of Conduct

All YKK Group business activities are based on the YKK philosophy “Cycle of Goodness” and the management principle “YKK seeks corporate value of higher significance.” We always make “fairness” the fundamental standard for all our business operations in the management principle.

In 2008, “YKK Group Code of Business Conduct” was established to provide guidelines for each of our employees to implement the YKK philosophy and management principle. Later, it went through a review process in response to a significant change in social conditions and greater importance of sustainability, and the revision was made in June, 2021.

“YKK Group Code of Conduct” is comprised of 7 general rules and 29 detailed rules. These general rules and detailed rules are with reference to and in compliance with the 10 principles of the UN Global Compact and the 8 fundamental conventions of the International Labor Organization (ILO), which also leads to SDGs. Respecting diversity, which serves the basis for promoting diversity management, has also been incorporated. Practicing the “YKK Group Code of Conduct” by each of us results in achieving “Build trust, transparency and respect” stated in our core values.

● YKK Global Criteria of Compliance (YGCC)

YGCC is a compliance standard established to ensure that YKK Group deploys and carries out proper and effective compliance programs in order to conduct transparent business activities. Each YKK Group company conducts self-assessment and internal audits and strives to improve compliance continuously in accordance with the YGCC requirements in terms of human rights, labor practices, environment, health and safety and fair operating practices.

In 2019, YGCC was updated to YGCC3.0 to achieve a higher management foundation aiming to be a sustainable business structure.

YKK GROUP COMPLIANCE BOOK

YKK Group Code of Conduct

YKK Group has established the YKK Group Code of Conduct that sets the scopes of behavior of which YKK Group employees in all countries and regions should be aware.

Compliance

We always comply with laws, regulations, and our internal rules, and are committed to responding to societal demands.

Compliance

In every aspect of the performance of our work duties, we comply with our internal rules and the laws and regulations of the countries and regions in which we undertake business activities and respond to societal demands.

Understanding compliance requirements

We always perform our work duties with an understanding and awareness of the latest laws and regulations, internal rules, and societal demands, and strive to learn about these through training and other means.

Fair and good-faith conduct

We base our business activities on fairness, always act in good faith, promptly report any issues or concerns, and take corrective and preventive measures. Also, based on laws, regulations, and internal rules, we work to ensure that reporters of such issues are not subject to any disadvantageous treatment.

Fair Operating Practices

We build relationships based on trust in order to maintain a fair and healthy relationship with society and ensure our mutual prosperity.

Relationships of trust with business partners

In order to fulfil our social responsibilities throughout our entire supply chain, we look for sociably responsible conduct in our business partners, select suppliers based on purchase conditions, and build fair business relationships based on trust.

Compliance with competition laws and regulations

We always comply with laws and regulations governing competition, and engage in fair, transparent, and free competition and business dealings.

Opposition to bribery and corruption

We do not engage in bribery or commit any acts of corruption whatsoever in any of our dealings with public officials and the private sector, either directly or through third parties.

Refusal to engage with antisocial forces

We have no relationship whatsoever with antisocial forces that threaten the social order and the healthy activities of companies. We resolutely and steadfastly refuse to accede to any requests for contributions to such forces.

Proper use of intellectual property rights

We appropriately maintain and use our own intellectual property rights, and continuously undertake the necessary management and improvements to prevent infringement of the intellectual property rights of other companies.

Management and use of assets and information

In accordance with laws, regulations, and internal rules, we endeavor to manage and protect company assets, confidential information, and personal information, and appropriately handle the assets and information of third parties. As well, we establish rules for the management of information, undertake appropriate management and make continuous improvements, and strive to maintain and improve information security.

Disclosure of information

In accordance with laws, regulations, and internal rules, we disclose information to stakeholders in a fair, timely, accurate, and easy-to-understand manner, strive for constructive dialogue, and fulfill our accountability responsibilities in a transparent manner.

Proper accounting and tax processing

In accordance with laws, regulations, and internal rules, we carry out proper accounting and tax processing procedures.

Prohibitions on conflicts of interest

We make the distinction between public and private clear in our duties, and do not engage in actions that conflict with the company's interests.

Respect for Human Rights

As a company that develops its business on a global scale, we respect the human rights, character, and individuality of people involved in our business activities and all members of our communities and societies.

Prohibitions on child labor and forced labor

We do not employ children below the legal working age stipulated by the countries in which we operate. As well, we do not tolerate, in any form whatsoever, labor that is forcibly demanded against the will of individuals.

Prohibitions on discrimination, harassment, and abuse

In our business activities, we do not tolerate any kind of threatening behavior or any acts that infringe on human rights, including discrimination, bullying, and physical, sexual, or psychological abuse or harassment.

Respect for the freedom of association and the right to collective bargaining

We respect the basic rights of employees, which include the freedom of association and the right to collective bargaining.

Understanding of customs and compliance with laws and regulations

We strive to understand the customs of all countries and regions in which we conduct business activities and comply with labor-related laws and regulations.

Respect for diversity

We promote diversity management and respect diversity of race, ethnicity, nationality, religion, thought, creed, sex, age, physical characteristics, gender identity, sexual orientation, and other characteristics. As well, we build systems and environments that enable diverse human resources to fully express their abilities.

Harmony with the Environment

We strive to coexist in harmony with the environment and contribute to society.

Building and operating environmental management systems

We build environmental management systems, comply with the requirements of applicable environmental laws, regulations, and rules, and reduce our environmental impact through all our business activities, including product development, manufacturing, sales, and waste disposal.

Responding to climate change

As a response to climate change, we pursue energy conservation initiatives to reduce the amount of energy we use in business activities and reduce greenhouse gas emissions by introducing renewable energy use.

Resource use

As a manufacturing company, we strive to develop and sell products intended to maintain a sustainable use of resources, and to promote the efficient use of resources through new technological innovations in manufacturing.

Sustainable use of water

Water is an important shared community resource. As a member of local communities, we strive to optimize water uptake and drainage so that water can be used in sustainable manner.

Coexistence with nature

Our goal is to coexist with nature. Through proper use, storage, and treatment, we minimize the impact on the natural environment of the chemical substances we use, and conserve ecosystems through activities such as maintaining green spaces and planting trees.

YKK GROUP CODE OF CONDUCT

YKK GROUP CODE OF CONDUCT

Health and Safety

We create workplace environments that are easy to work in and enable full employee participation.

Promoting safe and secure workplace environments

We strive to minimize all workplace risks and work to build safe and secure workplace environments. As well, we provide environments in which all employees can continue to work in good physical and mental health.

Raising safety awareness

We raise safety awareness through training and other means.

Building and operating worker health and safety management systems

We build worker health and safety management systems, comply with the requirements of applicable worker health and safety laws, regulations, and rules, and work to prevent the occurrence of workplace accidents.

Fire and disaster prevention measures

We implement thorough fire and disaster prevention measures, always giving first priority to human life.

Product Quality and Safety

We place great importance on Trust with our customers and provide safe and secure products and services with a Commitment to quality.

Value creation backed by technology

In order to provide new value that meets the needs of customers and society, we engage in manufacturing in which we apply ingenuity and inventiveness to all processes, from research and development to manufacturing, sales, and after-sales service. As well, we commit ourselves to pursuing quality and safety.

Traceability

We forge links with business partners and work to ensure transparency and traceability throughout our supply chains.

Contributing to Communities

In order to grow together with local communities and continue to be a company that is loved by every generation, we actively engage in actions that contribute to international society through our business activities.

Social contribution activities

We contribute to the development of regions through our business activities, and as a member of local communities, we engage in social contribution activities, such as support for international exchanges, and education and regional revitalization that make the most of local characteristics.

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MANAGEMENT SYSTEM (46)

- 1.1 Business License
- 1.2 Social Compliance Policy
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- 2.1 Child Labor
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- 3.1 Dispatched / Outsourced
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HEALTH AND SAFETY (126)

- 4.1 Health and Safety Management System
- 4.2 Emergency Planning & Fire Safety
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- 4.4 Sanitation/ Hygiene
- 4.5 Physical Hazards
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- 4.8 Dormitory and Cafeteria

ENVIRONMENT (65)

- 5.1 Environment Management System
- 5.2 Energy Consumption and Greenhouse Gas Emissions
- 5.3 Water Use
- 5.4 Wastewater
- 5.5 Waste Management
- 5.6 Air Emissions
- 5.7 Chemical Management

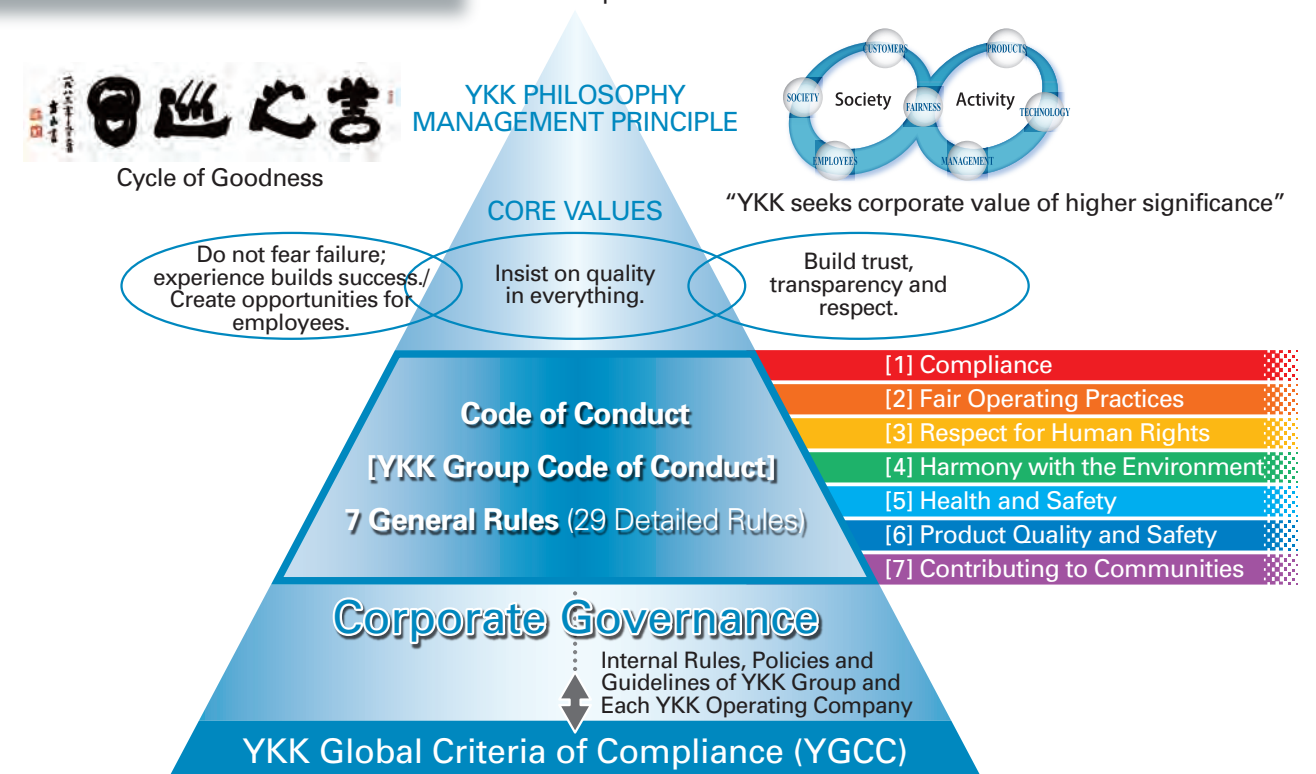
FAIR BUSINESS PRACTICE (45)

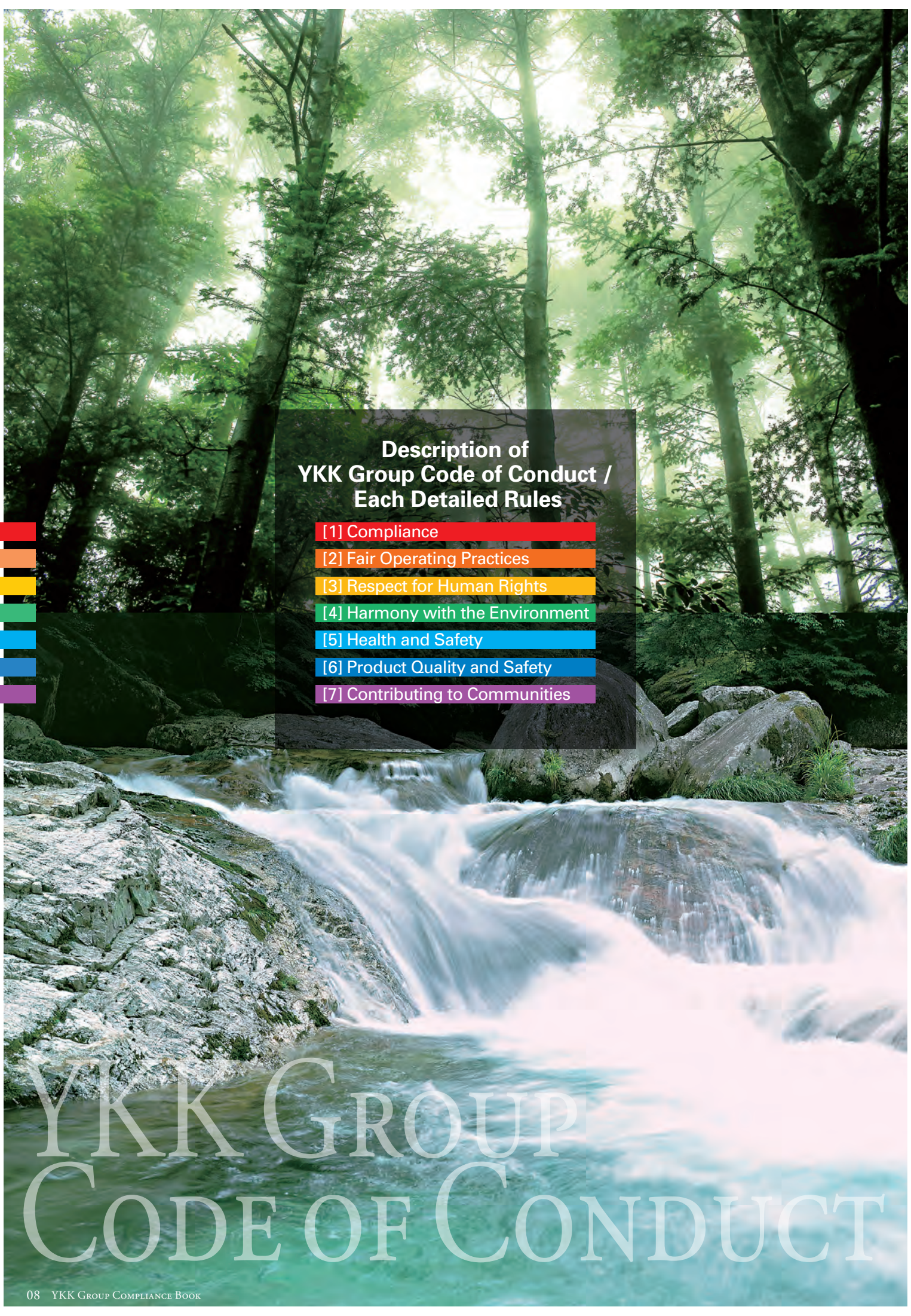
- 6.1 Fair Competition
- 6.2 Anti-Bribery
- 6.3 Confidential Information Protection
- 6.4 Conflict of Interest
- 6.5 Personal Information
- 6.6 Intellectual Property
- 6.7 Accounting and Tax Preparation
- 6.8 Antisocial Forces
- 6.9 Supplier Management
- 6.10 Foreign Trade
- 6.11 Subcontracting

CONTRACT CONSTRUCTION WORK for YKK AP

Roles of YKK Group Code of Conduct and YGCC

The compliance activities of YKK Group are closely related to YKK PHILOSOPHY / MANAGEMENT PRINCIPLE, YKK Group Code of Conduct and YGCC.





Description of YKK Group Code of Conduct / Each Detailed Rules

[1] Compliance

[2] Fair Operating Practices

[3] Respect for Human Rights

[4] Harmony with the Environment

[5] Health and Safety

[6] Product Quality and Safety

[7] Contributing to Communities

YKK GROUP CODE OF CONDUCT

[1] Compliance

Compliance

(YGCC 1.1 Management System)

<Actions you should take>

- Understand the YKK Group Code of Conduct and take appropriate actions.
- Comply with applicable laws and regulations of countries and regions in which you conduct business activities as well as the internal rules and respond to social requirements in every aspect of your job performance.
- Comply with work regulations and other internal regulations and understand that any violation of compliance, including those of such regulations, will be subject to disciplinary action.
- Always have an awareness that you are an employee of YKK Group and pay careful attention even when you use social networking services (SNS) as an individual.

Understanding compliance requirements

<Actions you should take>

- Consult with your supervisors, special departments, legal department or compliance department when you are not sure what laws and regulations and internal rules are applied to your work or if you have any questions about compliance.
- Attend internal training sessions actively and work for acquisition of compliance-related knowledge.
- Managers should provide their departments' employees with training to improve their awareness and knowledge of compliance. Also, encourage them to receive such training proactively.

Fair and good-faith conduct

<Actions you should take>

- Always show fairness and faithfulness to stakeholders and act accordingly.
- Consult with your supervisors, special departments or whistleblowing hotline when any compliance violation is suspected.
- Respond to any compliance violation quickly and appropriately, report the fact to necessary departments and take preventive measures. Also, make sure that personnel who reported a compliance violation to the whistleblowing hotline will not receive any advantage for filing such report.

COMPLIANCE

[2] Fair Operating Practices

Relationships of trust with business partners

(YGCC 6.9 Supplier Management / 6.10 Foreign Trade)

Trust relationship with stakeholders, including customers, is established and maintained by building a fair relationship not only on our side but also in the entire supply chain and fulfilling social commitments together. For trading, it is necessary to comply with applicable laws and regulations and internal rules and to establish a proper trading management structure.

<Actions you should take>

- Select suppliers and subcontractors from the viewpoints of quality, price and delivery date and establish a fair trade relationship with them while requiring social responsibilities (compliance with laws, regulations and social norms, fair and ethical trade, attention to human rights and work environment, consideration to environment, securing quality and product safety, ensuring information security, etc.)
- For import and export, understand laws and regulations and internal rules related to trade control and make customs clearing request, etc. properly.
- Obtain permission from a country (governing agency) when saving drawings and manuals of machine tools subject to restriction, such as technology that can be diverted to weapons, in recording media and taking it abroad.

Compliance with competition laws and regulations

(YGCC 6.1 Fair Competition / 6.11 Subcontracting)

Competition laws restrict agreements and information exchange (on price, sales conditions, customers, production or sales volume) to limit and avoid competitions among companies and acts to contain and eliminate competitions by wrongfully using the advantageous position in a market. Such acts are subject to administrative penalties, such as a cease-and-desist order and an administrative surcharge payment order as well as criminal penalties, including fines and imprisonment. Make sure to always comply with the competition laws and conduct fair, transparent and free competition and transactions.

<Actions you should take>

- Never get engaged in cartel behavior (an act in which multiple companies contact each other and decide a price or production volume of a product which are supposed to be decided by each company). Be aware that cartel behavior is strictly restricted all over the world as it unjustly drives up a product price, saves inefficient companies and stagnates economy.
- Do not have a contact with other Fastening /AP products suppliers *. Submit a preliminary request and post-report in accordance with the internal rules if such contact is unavoidable.
- Never talk about sales price, quotation, bid, production or sales volume with any company that supplies the same and similar products when you attend a meeting of a trade association to which such company also belongs to. If such topic arises, refuse subsequent talk, leave the place and report to your supervisor.
- Do not get involved in setting a sales price (resale price) of your business partner when you sell products. Do not sell products at a price lower than the cost with the intent of eliminating other companies that are starting to sell slide fasteners or building materials (new comers) regardless of the size of business. Do not cross-sell (compelling to sell something with another product or service).
- In a joint research and development, do not restrict the other party from working on themes other than those of the joint research and development or do not restrict the other party from working on the same theme of the joint research and development after the completion of such research and development beyond the scope of laws and regulations. Also, do not restrict a sale of products, which are derived from the outcomes of a joint research and development, to a third party beyond the scope of laws and regulations.
- Confirm the capital of and transaction with your business partner. If the business partner falls under a subcontractor and the transaction applies to a subcontract (contract manufacturing, contract repair, contract preparation of information deliverables and contract rendering of services), comply with the subcontract laws.
- For bidding, do not talk with other bidders about bidding price, expected bidder, willingness to receive order, volumes of order received, percentage of order received, number of nomination, and orders received.

* Other Fastening /AP products suppliers: Companies that supply the same and similar products or services as those supplied by YKK Group companies.

Opposition to bribery and corruption

(YGCC 6.2 Anti-Bribery)

Never get involved in giving bribery to public or private employees, whether directly or through a third party, and never engage in corruption, including giving or receiving gifts that exceed social conventions to or from your clients. Giving bribery to public employees is strictly punished in many countries. Bribery in any country/region may be subject to punishment based on the US Foreign Corrupt Practices Act (FCPA), UK Bribery Act and other laws.

<Actions you should take>

- Do not give money or gifts or provide entertainment to any politician and public employee in the hope of receiving a return. Also, do not provide money or other benefits to public employees of other countries.
- Do not provide, offer to provide or promise to provide profits, such as gifts, entertainment, travel and payments, that exceed social conventions to public employees. Do not provide profits directly or through overseas branches and consultants, agents, etc.
- Do not provide profits to family members or related companies of a public employee with the intent to give profits to such public employee.
- Do not accept gifts, entertainment, travel and payments that exceed the internal gift-giving criteria. When you give or receive a gift that exceeds the internal criteria, you are required to go through the procedures based on the internal rules beforehand.
- Follow applicable laws and regulations and internal rules when you pay for donations or membership fees and contribute money to a political party, politician, political fund raiser and candidate for public office.

Refusal to engage with antisocial forces

(YGCC 6.8 Antisocial Forces)

In recent years, antisocial forces are strengthening their moves to conceal their organizational structures and pretend to be doing normal business activities, making their actual state unclear. YKK Group will not succumb to antisocial forces and continues to work on excluding a relationship with them so as not to provide any funds to them.

<Actions you should take>

- Never have a relationship with any antisocial force for any purpose such as debt collection, complaint handling and preparation for shareholders' meeting. Always refuse any request to provide convenience.
- Do not give money to any antisocial force for any reason whatsoever, including donation, membership fee, sponsorship fund and payment for publication. Besides provision of money, do not offer any profit, such as entertainment and gift.
- Make sure to consult with your supervisor, general affairs department and legal department when you are contacted with an antisocial force, and do not handle the situation by yourself.

Proper use of intellectual property rights

(YGCC 6.6 Intellectual Property)

YKK Group is committed to develop and protect brands to make our customers happy and allow them to use our products safely. For this reason, we hold a lot of intellectual property rights, such as patents and trademarks. By maintaining, managing and operating our own intellectual property rights properly and taking measures against counterfeits, we can (1) enhance our business competitiveness, (2) protect consumers and customers, (3) maintain and improve brand value and (4) provide safe products (more genuine products). At the same time, it is important not to infringe intellectual property rights of other companies.

<Actions you should take>

- Understand the internal rules for handing the company's intellectual property rights and maintain, manage and use such intellectual property rights properly.
- Be aware that global counterfeit measures leads to not only maintenance and enhancement of brand value but also improvement of human rights and environment, and work on this in cooperation with your customers and external organizations.
- Report to your supervisor, intellectual property department and compliance department promptly when you find any infringement of our intellectual property rights.
- Report to the intellectual property department in accordance with the internal rules when you created any invention so that we can protect our technology and products.
- As for development, consult with the intellectual property department in advance so as not to infringe any intellectual property rights of other companies and refer to materials and information provided by the department.
- Do not use copyrighted work of others without prior consent. Make a judgement whether a citation of copyright work is necessary and follow the requirements of applicable laws and regulations, including indication of reference source.

FAIR OPERATING PRACTICES

[2] Fair Operating Practices

Management and use of assets and information

(YGCC 6.3 Confidential Information Protection / 6.5 Personal Information)

Take measures to protect and manage corporate assets, confidential information and personal information in accordance with the laws and regulations and the internal rules, and also handle assets and information of any third party properly. Personal information generally means information that can identify a specific existing individual. According to the Personal Information Protection Law in Japan, personal information entered in a database systematically is referred to as personal data. Awareness on data protection is growing globally. Many countries are establishing and strictly enforcing personal information-related laws and regulations, such as EU's General Data Protection Regulation (GDPR), US's act and related laws and regulations of Asian countries, including Singaporean law and China's Data Security Law. It is important to respect laws and regulations of respective countries and handle information carefully.

<Actions you should take>

[Management of company assets]

- Follow the internal rules when you take any company computer, recording media and mobile phone outside the company.
- Do not use the company phones, computers, Internet and e-mail for private purposes.

[Protection and management of confidential information]

- Comply with the internal rules related to confidential information management to maintain and improve information security.
- Confidential information shall be managed according to the classification "Strictly Confidential," "Confidential" and "Internal Use Only" and be handled carefully throughout the whole process, from collection, use, storage to disposal in accordance with the internal rules.
- Never present or discuss any confidential information in a public place.
- Follow the internal rules when providing confidential information outside the company. Never disclose any confidential information without approval.
- Do not access to, use without permission or distribute any confidential information that you are not allowed to access.

[Protection and management of personal information]

- Understand that when acquiring personal information it is important to notify and announce the disclosing party of the purpose of use properly and that such information should be acquired within the scope necessary for achieving the purpose. Do not use such information for any purpose or in any manner that the disclosing party is not informed of.
- When receiving personal information related to a third party, confirm if such information is provided by entrustment or by a third party. If the personal information is provided by a third party, obtain consent of the third party properly. Follow the internal rules, including how to make a request, when receiving personal information, and consult with the controlling committee or compliance department if you feel unsure about a decision.
- Understand that there are legal restrictions when transferring (including data transfer and receipt of) personal information to and from other countries/regions. Follow applicable laws and regulations related to personal information protection when transferring personal information to and from other countries/regions, and consult with the compliance department if you have any concerns.
- Comply with the laws and regulations and the internal rules related to personal information protection, protect personal information of end-users, customers and employees and use such information appropriately and effectively.
- Limit the use of personal information to an extent reasonable for business and within the scope of purpose. Personal information shall be used by authorized persons.
- Classify personal information according to "Personal information mark (P mark)" and "Privacy data mark (PD mark)," and pay careful attention to collection, use, storage and disposal of personal information in accordance with the internal rules.

[Personal information mark (P mark)]

Used for general personal information (name, address, telephone number, e-mail address, age, date of birth, employee number, department name, employee qualification, face photo, role rank, capability rank, etc.)

[Privacy data mark (PD mark)]

Used for physical information (health checkup result, medical certificate information, etc.), evaluation information (performance evaluation information, etc.), social life information (income and family information, academic career, names of schools graduated), complaint information (information on person who submitted complaints or who used consultation service), etc.

Disclosure of information

Companies are required to explain the content of their activities to the society and their stakeholders properly in a timely manner. It is also important to disclose socially beneficial or urgent information voluntarily and proactively.

<Actions you should take>

- Disclose information to stakeholders in a fair, timely, accurate and clear manner in accordance with applicable laws and regulations and the internal rules. Make efforts to have constructive dialogues and fulfill accountability with transparency.
- Conduct proper public relations' activities with a goal of establishing a sound relationship with stakeholders.
- Make sure to provide information that is based on facts and with no expressions that are misleading, discriminatory and defamatory.
- Obtain prior approval of the company when contacting mass media, such as TV, newspaper, magazine and Internet, to publish information and when releasing information using social networking services (SNS) as a company.
- Respond to news media at the time of emergency including disaster and accident after fully grasping the situations and having unified recognition among the internal parties involved.

Proper accounting and tax processing

(YGCC 6.7 Accounting and Tax Preparation)

Companies need to prepare accounting documents including a balance sheet accurately each fiscal year. For this reason, each personnel shall not engage in any illegal act, such as false claim and fictitious order placement.

<Actions you should take>

- Follow applicable laws and regulations, related internal rules, accounting standards, etc. and conduct accounting and tax procedures accurately.
- Do not make a false report when settling business travel expenses and out-of-pocket expenses.
- For contracted construction work, confirm in writing with service providers about any changes made in the course of construction work to prevent ambiguity.
- Users of a corporate card shall use the issued card properly in accordance with the internal rules.

Prohibitions on conflicts of interest

(YGCC 6.4 Conflict of Interest)

An act to use information obtained through your position in the company or work duties, illicit personal gains and create disadvantages to a company is called "conflicts of interest." You must separate your work duties from personal activities and must not use any information you get to know through your work, any company asset or your professional position for any private purpose.

<Actions you should take>

- Avoid prioritizing your personal interests and relationships over the company's interests when performing tasks.
- Do not carry out a trading that conflicts the business of the company.
- Do not assume a management post of or invest money to a competitor.
- Do not conduct an act to damage the interests of the company by using your position in the company when a company run by your stakeholders, including your family, conducts a business with the company.
- Submit a pledge on non-competition obligation in accordance with the internal rules and take necessary procedures, such as submitting a notification, when doing a side business.

[3] Respect for Human Rights

Prohibitions on child labor and forced labor

(YGCC 2.1 Child Labor / 2.2 Forced Labor)

Child labor is work that is carried out by children whose age is below the minimum labor age stipulated by law. It is prohibited because it has various negative impact on children, such as physical damage, and there is a concern that their opportunities for education may be impaired. Forced labor where people are forced to work without their intent is also prohibited.

<Actions you should take>

- Do not hire a person whose age is less than 15 years old (standard set by International Labor Organization; less than 14 years old for developing countries). If employment of a person with younger age is prohibited by law, acknowledge the company policy that the rules should be followed. Report to your supervisor promptly if you find out that an employee candidate does not meet the standard.
- In general, young employees who are less than 18 years old have limitation on overtime work, nightwork and unsafe work. Follow applicable laws and regulations when hiring young employees.
- Acknowledge the company policy that forced labor, such as detention, indentured labor, human trade labor or prison labor, is not permitted in any way. Do not engage in any of such labor.
- Be aware that deterrent in the entire supply chain is necessary. Encourage suppliers to comply with applicable laws and regulations.

Prohibitions on discrimination, harassment, and abuse

(YGCC 2.3 Discrimination / 2.4 Discipline, Harassment or Abuse)

In the course of your work and in every aspect of your business activities inside and outside the company, always respect human rights, refrain from any behavior to damage individual dignity and do not engage in any form of harassment, including abuse of authority (power harassment), sexual harassment, maternity pregnancy discrimination (maternity harassment) and forcing people who can't drink alcohol to drink alcohol (alcohol harassment).

Abuse of authority is an act (1) to inflict emotional or physical distress or worsen work environment (2) beyond the scope of work duties (3) by using one's position of greater power such as professional position or human relationship.

<Actions you should take>

- Acknowledge the company policy that it does not discriminate or mistreat people based on gender in any situation, including recruitment, employment, personnel relocation, promotion, retirement and change of employment status. Act accordingly at your workplace.
- Respect human rights, personality and individuality of others and do not harass others not only at workplace but also at any place that is an extension of your workplace, such as outside the office and business parties.
- Do not harass not only personnel of the company but also business partners and customers. Consult with the company if you are harassed by your business partner.
- When managers find out any harassment in their responsible departments, they shall not leave the case and strive to solve the problem.
- Always consider if instructions are given to an extent necessary and reasonable for operations. Do not reprimand someone in front of others unnecessarily and loudly or for a long time.
- Do not use violence (including throwing a document or banging a table), and do not make any remark that insults others, damages others' reputation and denies others' personality.
- Assess subordinates' ability, experience and work load as much as possible when giving instructions. Do not force them to engage in tasks that are clearly unfulfillable. Do not provide tasks that are reasonably way lower than their competence. Do not ostracize or neglect them.
- Do not harass any particular person in collusion with others in a relationship between a boss and subordinates as well as among co-workers.
- Do not commit an act that harms working environment of other employees by sexual speech or behavior. Do not cause no disadvantage to the working conditions of an employee who has rejected or resisted any sexual speech or behavior that was given contrary to such employee's intention.
- Learn more about the programs related to pregnancy, childbirth, child-rearing and caregiving. Do not discriminate someone who uses such programs.
- Do not force someone to drink alcohol. Do not drink someone down intentionally and use speech or behavior that lacks consideration of people who cannot drink.
- Be aware of local laws and regulations and cultures when working overseas so as not to harass others.

Respect for the freedom of association and the right to collective bargaining

(YGCC 2.5 Freedom of Association and Collective Bargaining)

Freedom of association prohibits the company from preventing its employees from organizing and joining a labor union. Respect for the right to bargain collectively means that the company must hold negotiation with a labor union in a faithful manner.

<Actions you should take>

- Understand that the company acknowledges that all employees can organize and join a labor union at their own choice in accordance with applicable laws and regulations without fear of treat or reprisal. Labor's determination of association may not be prevented even among employees.

Understanding of customs and compliance with laws and regulations

(YGCC 2.6 Regular Employment/Employment Contract / 3.1 Dispatched / Outsourced / 3.2 Working Hours / 3.3 Wages and Benefits)

Employees shall be employed based on an employment relationship established according to domestic laws and regulations and customs.

Labor-related laws also apply to part-time workers.

<Actions you should take>

- Comply with labor-related laws and work regulations.
- Do not work overtime without pay or work long hours.
- Managers shall not instruct their subordinates to punch in and out fraudulently for the purpose of falsifying their working hours. Employees shall not punch in and out fraudulently.
- Managers shall acknowledge that long working hours cause employees to develop mental health disorders and shall strive to adjust the work load to reduce overtime.
- Take appropriate measures for part-time workers based on labor-related laws and work regulations as well.

Respect for diversity

(YGCC 2.3 Discrimination)

■ Respect for diversity

Diversity means "variousness" and is a concept to increase employment opportunities for and proactively utilize a wide range of human resources. Accepting people with differences in gender, race, age, sexual orientation, etc. and applying their individuality and abilities will strengthen the company's growth.

<Actions you should take>

- Respect human rights and respect diversity such as race, ethnic group, nationality, religion, thought, belief, gender, age, physical characteristics, gender identity and sexual orientation. Do not discriminate against others.
- Do not discriminate against foreign employees just because they are foreigners.
- Do not criticize people based on their disabilities.

RESPECT FOR HUMAN RIGHTS

[4] Harmony with the Environment

Building and operating environmental management systems

(YGCC 5.1 Environment Management System)

As demand for global environmental commitment continues to increase, the entire YKK Group is encouraged to achieve higher environmental management. ISO14001 is an international standard concerning "Environmental Management Systems." YKK Group has acquired ISO14001 certification to ensure and improve continual environmental activities. Let's have awareness that sustainable corporate activities cannot be made without making efforts to environmental preservation and cooperate in the activities.

<Actions you should take>

- Comply with environment-related laws and regulations and internal rules.
- Reduce environmental burden not only in the development, manufacture, sale and disposal of products but also in all business activities, including sales and administrative activities. Make efforts to contribute to the environment.

Responding to climate change

(YGCC 5.2 Energy Consumption and Greenhouse Gas Emissions)

It is essential for us, as a company, to undertake initiatives to reduce greenhouse gas emissions to mitigate a global climate change. It is important to contribute to control the climate change by holding down energy consumption when using energy in our operations. Also, let's aim for sustainable business activities by preparing for any climate change impact (rising temperature, increase of disasters, etc.).

<Actions you should take>

- Make efforts to streamline and optimize operations.
- Incorporate new technology actively and work on energy-saving facilities and operations.
- Get involved in energy-saving activities, such as turning-off unnecessary computers, electricity and facilities and eco-driving.
- Work on disaster action programs, such as countermeasures against flood, with a standpoint of business continuity.

Resource use

(YGCC 5.5 Waste Management)

Reduction of waste and petroleum-derived materials becomes possible by changing product and packaging materials to sustainable ones. Let's work on this actively.

<Actions you should take>

- Strive to develop products and facilities aiming for sustainable use of resources.
- Minimize procurements and prevent unnecessary waste.
- Make efforts to minimize waste.
- Consider reuse of waste within the company. Reuse any such materials if possible.
- Separate waste for recycling.
- Understand waste management procedures properly and process accordingly.

Sustainable use of water

(YGCC 5.3 Water Use / 5.4 Wastewater)

Amid growing concerns over increased demand for water use due to global population expansion and water shortage arising from the climate change, companies are expected to address these issues actively. Let's work on reduction of water intake and mitigate environmental burden caused by discharged water so that we can address serious water resources depletion and deterioration issues.

<Actions you should take>

- Understand that water is a limited resource, make efforts to reduce water intake in the production process and work on mitigation of environmental burden from discharged water.
- Reduce water intake through efforts such as streamlining of water use and reuse of water.
- Follow applicable laws and regulations, government rules and industrial standards to thoroughly the control wastewater management at manufacturing bases.
- Each of us should be conscious of saving water at workplace.

Coexistence with nature

(YGCC 5.6 Air Emissions / 5.7 Chemical Management)

Various chemical substances are used in business activities. To preserve rich nature and life for the future, we must minimize the impact and burden on environment through appropriate management of chemical substances.

<Actions you should take>

- Strive to minimize the impact on natural environment through proper use, storage and treatment of chemical substances used.
- Reduce release of harmful substances into the atmosphere by managing facilities properly and minimizing the use of chemical substances.
- Respond to any accident, such as leakage, immediately and report it to parties involved.
- Get involved in greenery conservation, tree-planting campaign, environmental contribution activities, etc. proactively.

[5] Health and Safety

Promoting safe and secure workplace environments

(YGCC 4.3 Medical Services / 4.4 Sanitation / Hygiene / 4.5 Physical Hazards / 4.6 Chemical Hazards / 4.7 Structural Integrity / 4.8 Dormitory and Cafeteria)

Failing to fulfill an obligation to control industrial accidents arising from insecure conditions, unsafe behaviors and administrative defect at workplace and to manage mental and physical health of employees causes health issues, which may lead to a serious accident. Keep in mind that risks of industrial accidents are hiding everywhere and take actions to mitigate such risks.

<Actions you should take>

- Make efforts to create a comfortable workplace where risks at workplace are minimized to prevent industrial accidents and employees can work safely and healthfully.
- Comply with health and safety-related laws and regulation and internal rules.
- Properly wear and use designated work clothes, safety shoes and protection hat, if any.
- Make sure to inspect the machines before operation. If any abnormality such as strange noise or vibration is found, stop the use of the machine and report it to your supervisor immediately.
- Make sure to report to your supervisor if you find a spot that is possibly dangerous, such as an uneven floor surface and oil leakage from machinery, in your workplace. Any dangerous act, including removal of a safety cover and omission of operation procedures, should be pointed out on the spot and request to take corrective measures.
- Report to your supervisor or relevant departments immediately if you find any sign of abnormality or danger at workplace.
- Make sure to report any industrial accident through an adequate route.
- Respond to risks of industrial accidents in your department operations in reference to industrial accidents occurred in other departments or companies.

Raising safety awareness

(YGCC 4.5 Physical Hazards / 4.6 Chemical Hazards)

Education is provided by the company to prevent industrial accidents. Such education programs include education for new employees, education on changes in operations and education to improve safety level. You are required to recognize the necessity of education and make sure to participate in such programs.

<Actions you should take>

- Attend educational programs on industry safety and health and raise safety awareness.
- Do not engage in operations for which you are not trained.
- When you start any unfamiliar tasks at a new workplace due to personnel relocation or as a supporting staff, make sure to understand the risks in such operations.
- Confirm if any license or qualification, such as forklift operation, is required. Never allow an unlicensed/unqualified operator to do such tasks.

Building and operating worker health and safety management systems

(YGCC 4.1 Health and Safety Management System / 4.3 Medical Services / 4.5 Physical Hazards / 4.6 Chemical Hazards / 4.7 Structural Integrity / 4.8 Dormitory and Cafeteria)

Industrial safety and health programs are carried out to prevent industrial accidents, improve health of workers and create comfortable working environment.

<Actions you should take>

- Comply with applicable laws, regulations, etc. to work on prevention of industrial accidents under the industrial safety and health management system.
- Take measures against any high-risk task revealed in risk assessment and mitigate such risk.
- Receive a health checkup at least once a year to grasp your health conditions. If any abnormality is found, get a secondary checkup or a complete physical examination and receive guidance from doctors.

Fire and disaster prevention measures

(YGCC 4.2 Emergency Planning and Fire Safety)

Major disasters such as fire may cause a significant impact on business and also harm the local community. Always comply with applicable laws and regulations and internal rules and prevent major disasters.

<Actions you should take>

- Take complete measures to control fire and disasters. At the time of occurrence of a disaster, prevent the damage from spreading, placing the highest priority on human life.
- Participate in the company's emergency drills.
- Check your evacuation route and role at the time of disaster and prepare for an occurrence.
- Review emergency measures and systems periodically.
- Inspect, maintain and clean any facilities with a high fire risk (duct, control panel, etc.) to prevent fire.

[6] Product Quality and Safety

Value creation backed by technology

(Technology Oriented Value Creation)

YKK has provided products with care for quality to meet the needs of society and market based on a concept of integrated manufacturing. We will cherish this concept although times may change. Providing high-quality, safe and reliable products and services makes it possible to achieve customer satisfaction and social contribution.

<Actions you should take>

- Be imaginative and creative in all processes to provide new values to customer and social needs. Work on production while sticking to quality and safety.
- Report to your supervisor and relevant departments promptly if you find a possible danger or detect related to product safety or when you receive any complaint or suggestion from end-users or customers.
- Do not disguise products or falsify data. Report to your supervisor or relevant departments promptly if you see such an act.
- Follow the laws and regulations, public standards, industrial standards and internal rules to develop and design products and create promotional materials.
- Use materials designated by specifications so that products are manufactured as designed. Follow the operational standards and fully manage the processes.
- Use simple and clear language in the instruction manual and the examples of unsafe use when selling a product.
- Notify relevant ministries and agencies of any serious product accident in accordance with applicable laws and regulations and internal rules.

Traceability

Traceability is the capability to trace the process from material procurement to development, production and consumption of a product. It is important because it has the ability to verify a cause and adopt measures when a product is found defective or problematic. If traceability is insufficient, response to defects or troubles cannot be made promptly, which leads to losing the trust of customers and consumers. It is important to establish a traceability framework.

<Actions you should take>

- Strengthen cooperation with suppliers, business partners and relevant internal departments, identify and trace the history and distribution of products, parts and materials and establish and improve the framework for supply chain traceability.
- Make sure to manage prescribed records and documents in all the processes of development, purchase, manufacturing and sales.
- Follow the prescribed change management process in accordance with the laws and regulations, agreements and internal rules.

[7] Contributing to Communities

Social contribution activities

We are a company as well as a member of the local community. As a corporate citizen, making the community affluent and making various social contributions through our work allow us to earn the trust of the society, and that is also our motivation.

<Actions you should take>

- Be responsible for your role as a corporate citizen and interact with the local community and contribute to the society actively.
- Perform sustainable activities to solve social issues and contribute to the development of the local community where your business base is located.
- Contribute to solve problems of the local community by engaging in community-based volunteer activities and environmental conservation activities.

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YKK GROUP
COMPLIANCE BOOK

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