

Asahi Kasei Group Code of Conduct

Overview of the Asahi Kasei Group Code of Conduct

The Asahi Kasei Group Code of Conduct consists of three parts.

1. Ensuring safety, environmental protection, and high quality products and services to contribute to life and living

Part 1 concerns ensuring all aspects of safety in our business activities, and how we should meet society's expectations and requirements for safety, the environment, and quality [sections (1)–(4)]

2. Maintaining sincere relationships with those around us

Part 2 concerns building and maintaining sincere relationships with various related parties such as the general public, customers, shareholders, investors, suppliers, competitors, and employees [sections (5)–(10)]

3. Utilizing management assets appropriately and effectively

Part 3 concerns the proper management and effective use of all management assets [sections (11)–(15)]

Format of the Asahi Kasei Group Code of Conduct

Each section of the Asahi Kasei Group Code of Conduct applies to all officers, managers, and employees of the Asahi Kasei Group.

- The blue box at the beginning of each section represents the Asahi Kasei Group's public declaration with respect to the subject of that section.
- The individual items within each section indicate specific standards for action by members of the Asahi Kasei Group.

1. Ensuring Safety, Environmental Protection, and High Quality Products and Services to Contribute to Life and Living

(1) Endeavor to Maintain Absolute Safety in All Aspects of our Business

The Asahi Kasei Group considers safe business practices to be a prerequisite to the sustainable development of operations. Accordingly, it conducts business throughout all sectors in accordance with relevant safety management policies and endeavors to ensure safety in every way.

a. Complete Safety in our Business Activities

Our employees must perform our business activities with absolute safety.

b. Understanding of and Compliance with Safety Rules

Our employees must understand and comply with laws, regulations, and internal company rules related to safety management that apply to our business.

c. Reporting, Informing, and Discussing Safety Matters

If any employee encounters a safety related accident or problem, becomes aware of any risk thereof, or has any concerns related to safety, the employee must promptly report, inform, and/or discuss the matter to or with his/her supervisor, relevant parties, and/or relevant department.

(2) Providing Safe and High-Quality Products and Services That Customers Can Rely On

The Asahi Kasei Group continuously strives to improve its quality management system and quality assurance programs in order to provide safe and high-quality products and services.

a. Understanding of and Compliance with Safety and Quality Rules

Our employees must understand and comply with laws, regulations, and internal company rules related to safety and quality standards that apply to our products and services.

b. Responding to Requirements and Expectations of Customers and Society

Our employees must reasonably ascertain the standards required by customers and the constantly changing expectations of society and respond appropriately.

c. Placing Our Highest Priority on Customers' Safety

Our employees must place their highest priority on customer safety and avoid any accident associated with our products or services or any threat to the safety or health of our customers.

Note: In this Code of Conduct, "customers" include not only those who directly purchase from Asahi Kasei Group companies, but also those who purchase through trading companies, wholesalers, or distributors, as well as end users and consumers of final products into which our products are incorporated.

(3) Carefully Managing Workplace Safety to Ensure a Safe and Comfortable Work Environment

The Asahi Kasei Group endeavors to secure the safety of its employees by striving to prevent occupational accidents. The Asahi Kasei Group also endeavors to build comfortable workplace environments and to promote the maintenance and improvement of employee health.

a. Understanding of and Compliance with Workplace Safety Rules

Our employees must understand and comply with laws and regulations related to workplace safety and hygiene, with internal company rules related to the management of workplace safety and hygiene, and maintain their own safety as well as that of their colleagues.

b. Complying with All Safety Procedures and Manuals

Our employees must maintain workplace safety and hygiene as well as maintain and improve the workplace environment by understanding and complying with the content of our safety procedures and manuals related to our business.

c. Maintaining and Improving Health

Our employees must pay attention to their own health and safety and the health and safety of their colleagues, including undergoing health checkups where required by laws and regulations.

(4) Contributing to Environmental Protection and Harmony with Local Communities

The Asahi Kasei Group is committed to operating in harmony with the environment and with local communities and to contributing to the development of local communities through our business activities.

a. Understanding of and Compliance with Environmental Rules

Our employees must understand and comply with laws, regulations and internal company rules related to environmental standards that apply to our business.

b. Reducing Environmental Burdens

Our employees must undertake to reduce the burden and impact of our business (product development, procurement, manufacturing, logistics, etc.) on the environment.

c. Contributing to and Communicating with Local Communities

Our employees must contribute to our local communities through our business activities and actively participate in community fellowship activities. Our employees must also gain a sufficient understanding of local culture to deepen our communication with local communities.

2. Maintaining Sincere Relationships with Those around Us

(5) Disclosing Corporate Information Timely and Appropriately to Society

The Asahi Kasei Group endeavors to disclose corporate information, where required by law, in a fair, impartial, accurate, and prompt manner to those around us such as our customers, shareholders, investors, suppliers, employees, and local communities, and to the general public.

a. Public Communication

Our employees must strengthen our brand and heighten our corporate value through proactive communication that fosters an accurate understanding of the Asahi Kasei Group.

b. Understanding of and Compliance with Information Disclosure Rules

Before disclosing information related to our business, our employees must confirm the content and obtain approval from relevant supervisors and corporate communications department. In particular, our employees may only engage the media on behalf of the company after receiving approval from the corporate communications department.

c. Prohibition of Insider Trading

If any employee comes to know non-public material information (insider information) about the Asahi Kasei Group or another market-listed company, the employee must not trade his/her shares prior to the information becoming public (insider trading). Furthermore, no employee may divulge insider information to third parties, including family members, nor recommend trading shares based on insider information.

(6) Appropriate Descriptions to Customers, Provision of Safe and Reliable Products and Services

The Asahi Kasei Group endeavors to provide descriptions of products and services to customers, including product labeling and advertisements, that are easy to understand, not misleading, and to provide safe and reliable products and services that meet customers' needs.

a. Understanding of and Compliance with Product and Service Description Rules

Our employees must confirm the content of descriptions and advertisements of products and services at each stage from product development to introduction to sale, and continuously check that there is no infringement of related laws, regulations, or voluntary industry standards, and confirm that customers are able to properly use products and services safely and reliably.

b. Accurate Description of Products and Services to Customers

Our employees must accurately convey the content and characteristics of products and services to customers, and appropriately manage the various data and materials that substantiate the content and characteristics. Our employees also must comply with contractual obligations to give notifications to customers.

c. Appropriate Response to Contact from Customers

Our employees must swiftly respond to inquiries, complaints, requests, opinions, etc., on our products and services, understand the facts objectively, sincerely respond based on the facts, and continuously improve our products and services.

d. Documenting and Proper Processing of Transaction Terms

Our employees must document the transaction terms agreed with our customers and perform proper processing of received orders, shipment, delivery, transfer, and service provision based on the orders received from our customers.

e. Compliance with Corporate Ethics in Transactions through Distributors, et

In cases where any employee sells through trading companies, distributors, agents, etc., the employee must still adhere to the substance of Section II, Part 6, paragraphs a. through d., above, make sure to confirm the purpose of use of our products, and ascertain the final users of our products to the extent possible.

(7) Healthy Relationships with Customers and Government Officials

The Asahi Kasei Group maintains healthy relationships with customers in both the public and private sectors, performs transactions with integrity, and expressly prohibits the bribery of government officials to obtain orders or to advance business operations.

a. Maintaining Healthy Relationships with Customers

Our employees must not provide customers in either the public or private sector with entertainment, gifts, money, travel expenses, donations, or any other benefit that exceeds the range permissible by laws and regulations or what is generally considered reasonable.

b. Prohibition of Bribery of Government Officials

Our employees must maintain healthy relationships with each country's government officials, and not only comply with laws and regulations regarding the prohibition of bribery of government officials but also comply with any related internal company rules. Our employees must avoid any act that would raise suspicion of bribery or suspicion of illicit intent.

c. Prohibition of Bribery through Distributors, etc.

Our employees will require our business partners such as distributors, agents, consultants, and contractors to maintain ethical behavior and to comply with the substance of Section II, Part 7, paragraphs a. and b. mentioned above, as well as to comply with various related laws, regulations and contractual obligations when working with us.

(8) Fair Relationships with Competitors

The Asahi Kasei Group thoroughly complies with the competition laws and antimonopoly laws of each country, maintains relationships of fair competition with competitors, and provides products and services in a fair manner.

a. Prohibition of Cartels

Our employees will not take part in agreements with competitors or other parties to impede fair competition. Our employees therefore do not make unnecessary contact with competitors, share information that is important for competition, or act in any other way that would raise suspicion of a cartel.

b. Prohibition of Private Monopolies and Exclusionary Transactions

Regarding products or services where we are dominant in the market, our employees will not unfairly restrict or exclude competitors in accordance with the law.

c. Prohibition of Other Impediments to Competition

Our employees must avoid any transaction that impedes fair competition by circumscribing the resale prices of trading companies, wholesalers, or distributors, attaching unfair conditions, etc.

(9) Optimized Procurement and Healthy and Appropriate Relationships with Suppliers

The Asahi Kasei Group sets rules related to procurement, pursues optimal procurement, maintains healthy relationships with suppliers, and thoroughly follows proper procedures for transactions and payments.

a. Understanding of and Compliance with Procurement Rules

Our employees must select suppliers and determine prices based on appropriate procedures and approvals. Our employees must adhere to our system of checks and balances, including any and all requirements for supervision or assessments by multiple employees, and not engage in speculative transactions

b. Seeking Optimal Procurement

Our employees must seek optimal procurement by evaluating suppliers comprehensively including aspects such as safety, quality, price, delivery term, management condition, and environmental burden. The selection of suppliers must be determined based on a rational judgment following the determination of the suppliers' actual condition and the proper examination of suppliers.

c. Prohibition of Gift and Transactions Counter to Company Interests

Employees may not accept any offer of money from suppliers, nor any entertainment, gifts, or other favors that exceed what is generally considered reasonable. Employees may not perform any transactions that run counter to the interests of the company.

d. Documenting and Proper Processing of Transactions

Our employees must document all transaction conditions agreed with suppliers, confirm proper processing of purchasing and procurement in compliance with relevant laws and regulations, confirm the receipt and inspection of goods, and confirm the actual receipt of services provided to us.

e. Compliance with Corporate Ethics by Suppliers

To the extent possible, our employees must ensure our suppliers' commitment to compliance with relevant laws and regulations, particularly those that prohibit bribery and the use of conflict minerals, that prevent human rights violations such as compulsory labor, child labor, and slavery, and our employees will share the Asahi Kasei Group's policy on such matters with suppliers and request their complete compliance.

Note: In this Code of Conduct, “suppliers” include not only direct vendors of materials to companies of the Asahi Kasei Group, but also counterparties from whom we procure any goods or services such as providers of equipment or maintenance, contractors, and providers of outsourced work.

(10) Respect for Human Rights and Diversity

The Asahi Kasei Group respects individuals’ basic human rights and diversity, and endeavors to provide a workplace that enables anyone to be actively engaged.

a. Respecting Basic Human Rights and Diversity

Our employees must respect individuals’ basic human rights and diversity and, along with the basic policy of the Asahi Kasei Group regarding prohibition of discrimination on any protected category under applicable law, such as nationality, ancestry, race, ethnicity, religion, gender, ideology, age, physical characteristics, sexual orientation, employment status, form of contract, etc., our employees must not condone such discrimination.

b. Prohibition of Harassment

Our employees must maintain a workplace free of unlawful harassment, whether moral, sexual harassment, physical or psychological, etc., and our employees must not condone such words or deeds.

c. Prohibition of Inhumane Labor Practices

Based on respect for basic human rights, our employees must not condone inhumane practices such as compulsory labor, child labor, slavery, etc. Furthermore, our employees must not condone such practices done by our suppliers.

3. Utilizing management assets appropriately and effectively

(11) Performing Work with Integrity and Responsibility

The Asahi Kasei Group expects each individual employee to perform his or her work independently with integrity and a sense of responsibility.

a. Performing Work with Integrity

Our employees must comply with relevant labor laws and regulations, with any relevant employment agreements, and must perform their work with integrity and responsibility.

b. Prohibition of Acts Counter to Company Interests

No employee may perform acts that run counter to the interests of the Asahi Kasei Group.

c. Clarification of Roles and Compliance with Reporting Lines

To maintain the reliability of work and to prevent work from becoming dependent on an individual, employees are expected to comply with documented segregation of duties, responsibility, authority, and reporting lines.

d. Promotion of Workplace Communication

To facilitate the orderly progress of work and the timely ascertainment of risks, employees must regularly report, inform, and discuss business activities as part of fluid daily communication in the workplace.

(12) Compliance with Accounting and Tax Rules, Protecting Company Property

The Asahi Kasei Group protects the value of tangible and intangible company property by thoroughly performing proper accounting and tax treatment in conformity with the law and relevant regulations and appropriate management of company property.

a. Understanding of and Compliance with Accounting and Tax Rules

Our employees must understand the accounting standards and tax laws that apply to our company, and perform proper and lawful accounting and tax treatment based on such laws, regulations, and internal company rules.

b. Compliance with Internal Procedures Related to Company Property Management

When acquiring or disposing of company property or disbursing expenditures, our employees must follow the proper procedures and obtain the necessary approvals as specified by the relevant supervisor and/or department. When making donations, providing sponsorships, or giving gifts, our employees will follow the company's established process for examination and approval.

c. Protecting Company Property and Prohibition of Personal Use

Our employees must manage tangible and intangible company property appropriately and not use or consume such property for personal purposes.

d. Maintaining the Company's Reputation and Brand

Our employees must understand that the company's reputation and brand are important intangible property and that they must not act in a way that would jeopardize the company's reputation and brand.

(13) Protecting and Managing Information

The Asahi Kasei Group thoroughly protects information security, including protection of personal information and proper management of documents.

a. Understanding of and Compliance with Information Security Rules

Our employees must comply with all laws, regulations, and internal company rules related to information security, and appropriately manage information assets. In the event that a breach or violation occurs, employees must immediately contact the related department and follow the instructions they receive.

b. Appropriate Management of Personal Information

Our employees must clearly specify the purpose for the collection and use of personal information, and collect, store and use personal information in an appropriate manner and within the scope of the specified purpose. Our employees may not provide or disclose personal information to third parties except as permitted by laws and regulations and/or with the consent of the individual.

c. Appropriate Management of Documents and Data

All company information, documents, and data that employees produce or receive in the course of their work belongs to the company, and employees are expected to manage it appropriately in accordance with laws, regulations, and internal company rules.

d. Restriction of Information Dissemination

Our employees must not talk about confidential information related to our business in public, disseminate confidential information related to our business on social networking systems (SNS) without permission, or disseminate misleading information.

(14) Protecting and Respecting Intellectual Property Rights

The Asahi Kasei Group promotes the acquisition and protection of its own intellectual property rights, and endeavors to respect the intellectual property rights of others.

a. Protection of Our Intellectual Property

Our employees will protect our company's intellectual property, including technology information, by promoting the acquisition of intellectual property rights and by maintaining the confidentiality of inventions, know-how, etc., whose rights are not yet acquired.

b. Management of Information in External Announcements of Company Technology

When publishing scientific papers, etc., and issuing external releases, our employees must confirm that no confidential information is included.

c. Prevention of Infringement of Others' Intellectual Property Rights

Our employees must perform thorough searches of prior work and exercise the utmost care to ensure that we do not infringe the intellectual property rights of others in any aspect of our business, including R&D, manufacturing, sales, etc.

d. Respecting Others' Intellectual Property Rights

Our employees must take care to ensure that they do not use, directly or indirectly, any intellectual property rights of others without permission, including copyrights of literature, photographs, music, and computer programs, etc.

(15) Compliance with Laws and Regulations, Practicing Corporate Ethics

The Asahi Kasei Group endeavors to thoroughly comply with the laws and regulations of each country, and to prepare and appropriately apply internal company rules. When judgment cannot be made based on laws, regulations, and internal company rules, each action must be based on the utmost integrity.

a. Thorough Legal Compliance

Our employees must understand the laws and regulations that relate to their work and duties and confirm whether there is any violation. Our employees must also make certain to obtain any license or approval and to perform any notification or reporting as required by laws and regulations.

b. Thorough Compliance with Internal Company Regulations

Our employees must understand the internal company regulations that relate to their work and not only thoroughly apply such rules but also continuously check to confirm whether there is any amendment to such laws or rules that relate to their own work.

c. Integrity in Work Based on this Code of Conduct

If any employee encounters a situation in the course of his/her work when judgment based on laws, regulations, and internal company rules becomes difficult, the employee must act with integrity based on the spirit of this Code of Conduct.