

# Corporate Social Responsibility Code of conduct

## 1. Fair corporate activities

### (1) Compliance with respect for corporate ethics and all relevant laws

Through the growth of the business environment ensuring fairness, equitability, and transparency in corporate activities, we shall require all directors and employees to comply with international regulations, all related laws, social ethics, internal norms and other rules and thus win trust of our customers, shareholders, transactional partners, directors, employees and their families, and all stakeholders.

### (2) Compliance with open competition and fair business practices.

We shall eliminate deceits, unjust acts or behaviors leaving us open to suspicion which impede fair competitions and we engage in proper trades based on free competition principles.

Besides that, we thoroughly provide accurate information on products, materials, technology, quality, service and others to customers and business partners.

### (3) Prohibition of a superior position abuse.

We conduct appropriate transactions based on contracts and others to business partners. We don't conduct any illegal acts and never seek to personal profits by imposing unfair specific conditions and disadvantages or by abusing of a superior position in transactions as purchasers and consignees.

We also inform our business partners about measures for an observance of all laws and regulations, social ethics, quality safety, respect for human rights, working environment, safety and health, environmental conservation, information security and others.

### (4) Prohibition of corruption, bribery, inappropriate gift and entertainment.

We shall comply with relevant laws and regulations so as to maintain a sound and normal relationship with politics and administration, we don't accept illegal bribes nor are we involved in illegal political financing.

When entertaining and giving gifts to customers and business partners, in order to maintain sound common sense we do not engage in giving or receiving illegal or unfair benefits/conveniences, or any other actions which could be interpreted as collusive.

### (5) Rejection to antisocial forces

We shall thoroughly insulate ourselves from antisocial forces and organizations, including trading relationships that threaten the order or safety of society.

Moreover, we shall take a resolute stance against any undue claims and act in cooperation with departments in charge, external professional institutions, administrative agencies.

#### (6) Protection and use of intellectual assets

We endeavor to ensure adequately, to maintain and to make effective use of rights on company's intellectual property.

Besides that when conducting the development, the production, sales, and the delivery of product and services, we carry out sufficient preliminary researches to avoid infringing on the intellectual property rights of third parties.

Intellectual property information from a third party is always obtained in a fair and legitimate manner.

#### (7) Appropriate management of trade

Regarding the international transaction of products, parts, technical information and software, we comply with all required procedures of supervisory authorities in accordance with export control laws based on international covenants and company regulations to maintain international peace and security.

Moreover, we uphold the policy of not purchasing "conflict minerals", materials and products made from these minerals to cut off sources of funding for armed groups causing violations of human rights. We shall also require our business partners to follow the same guideline.

#### (8) Appropriate management of company assets

We shall appropriately handle company assets (tangible and intangible assets including products, parts, materials, fixtures, equipment, personal information and operational information) in accordance with prescribed rules.

Furthermore, directors and employees use company assets for the sole purpose of business both during and after employment and raise their awareness to not use these assets for personal gain of himself/herself or a third party.

We handle business information as confidential to prevent it from being leaked, lost or falsified and properly manage it according to the importance. Likewise, we obtain business information in a fair and legitimate manner.

#### (9) Prohibition against insider trading

We shall not disclose Sigma Koki group's or other company's insider information gained in the course of our business to any person other than those who need to know such information for the performance of their duties. Moreover, when we have access to insider information, no selling, buying and other stock transactions are to be performed for shares related to such information.

#### (10) Development of the in-house whistle-blowing system

When we become aware of the occurrence or the potential occurrence of the violation of related laws, social ethics, internal disciplines (norms) and other rules in duties or other activities of directors and employees, we establish and maintain a whistle-blowing system with a different chain of command from usual one in order to promptly report the issue.

## **2. Respect for human rights**

#### (1) Respect for human rights and fair treatment

We observe international rules on protection of human rights to respect fundamental human rights and human dignities and we shall not engage in unfair discrimination, forced labor and child labor regarding religion, nationality, gender, physical characteristics, age and others. We shall also require our business partners to conduct with the same guideline.

We appreciate diverse ideologies, values, characters of directors and employees each other, and realize a sound workplace environment free from discrimination and harassment through our mutual cooperation.

#### (2) Safe and comfortable work environment

We shall comply with laws, regulations and internal norms regarding occupational health and safety, take all necessary measures to ensure the safety and the sanitation and provide a safe and comfortable work environment where all employees can work safely.

To encourage the prevention and early detection of health impairment, we promote the elimination of overwork, periodical health check and stress check to monitor mental and physical health of directors and employees. We actively provide support for employee capability enhancement such as obtaining expertise and knowledge, endeavor for construction of fulfilling work environment and aim to grow and develop together.

## **3. Preservation of the natural environment**

#### (1) Global environmental protection activities

As members of society, environmental protection is one of our essential business activities. All our directors and employees are actively engaged in environmental conservation activities in order to contribute to a sustainable society.

#### (2) Ongoing improvement of our environmental management system

We build an environmental management system and ascertain the environmental load imposed by all corporate activities and continuously improve the pollution prevention and effective use of energy and other resources with PDCA cycle.

### (3) Provision of environmentally-friendly products and services

We strive to reduce environmental burdens at each stage of our corporate activities ranging from procurement of raw materials, design, development, manufacture, logistics, sales, service, use, recycling, disposal, and provide environmentally friendly products and services.

### (4) Promotion of environmentally conscious technology development

We observe environment-related laws and regulations, appropriately manage chemical substances banned from use in products or required to reduce its emissions to the external environment, contribute to curb generation of wastes and strive to introduce energy-saving facilities and develop environmentally conscious technology.

## **4. Harmony with society**

### (1) Social contribution activities emphasizing coexistence with local communities

As good corporate citizen, we respect local cultures, customs and traditions; we are involved in region-based social contribution activities to become a part of our local communities and realize cultural and economic development.

### (2) Business continuity to fulfill our responsibilities for product supply

We pay full heed the impact on customers and societies as the company supporting the photonics industry by manufacturing (product-making). Even in the event that a severity risks materializes, placing top priority on the safety of the people, we will establish as early as possible a system to ensure the continuous supply and strive to build a trustworthy relationship with customers and the society.

### (3) Mutual understanding through two-way communication

In order to raise awareness of the Sigma Koki group, to make Sigma Koki group recognized by a large number of citizens, we (actively) engage in fair and transparent company-wide communication in order to deepen mutual understanding with customers and shareholders.

To fulfill the company's accountability, we enhance the credibility of financial reporting by appropriate processing and guarantee the proper disclosure of corporate information in a timely, appropriate, and fair manner.

These guidelines may be modified as needed according to changes in social conditions or changes to legislation.

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