

Group Compliance Conduct Guidelines

The “Group Compliance Conduct Guidelines” set forth the fundamental principles of corporate ethics and compliance to be observed by all Group companies and each of their officers and employees in the course of the Daikin Group’s global corporate activities.

Each company within the global Group shall formulate a specific manual based on these Guidelines, taking into account differences in the laws and customs of each country and region, and shall ensure that corporate ethics and compliance are thoroughly implemented.

Note: The specific details apply to Daikin Industries, Ltd. and its Group companies in Japan only.

1. Provision of Safe, High Quality Products and Services

We shall live up to our customers’ expectations and trust by providing safe, high-quality products and services from our customers’ perspectives. Should a problem involving safety or quality arise, we shall take honest and appropriate action as soon as possible.

Specific Details

https://www.daikin.com/-/media/Project/Daikin/daikin_com/sustainability/pdf/governance/conduct_01-pdf.pdf

2. Fair and Free Competition and Fair Trading

We shall comply with all applicable related laws and ordinances in each country and region in conducting all aspects of our business activities, including procurement, production, sale, distribution and marketing, and research and development. We shall consistently conduct fair corporate activities in compliance with provisions of laws governing free competition and fair trading, including the Antimonopoly Act of Japan, competition laws, and anti-trust laws.

Specific Details

https://www.daikin.com/-/media/Project/Daikin/daikin_com/sustainability/pdf/governance/conduct_02-pdf.pdf

3. Responsible Procurement Activities

We shall, as part of our corporate responsibility, make efforts to comply with the laws and ordinances governing the procurement of products, materials, and parts in each country and region, respect human rights, procure mineral resources appropriately, and protect the environment. Through these efforts, we shall build relationships of trust with society. Furthermore, recognizing that all suppliers are our important business partners, we shall engage in open, fair, and impartial transactions.

Specific Details

https://www.daikin.com/-/media/Project/Daikin/daikin_com/sustainability/pdf/governance/conduct_03-pdf.pdf

4. Strict Compliance with Trade Control Laws and Policies

We shall comply with trade-related laws and ordinances of each country and region, as well as our Group’s policies relating to security and trade controls. And, we shall strive to contribute to the maintenance of international peace and safety, and world order.

Specific Details

https://www.daikin.com/-/media/Project/Daikin/daikin_com/sustainability/pdf/governance/conduct_04-pdf.pdf

5. Respect for and Protection of Intellectual Property Rights

Recognizing that our intellectual property rights are important company assets, we shall strive to protect and maintain them and utilize them effectively. We shall respect and make every effort not to infringe upon the intellectual property rights of other companies.

Specific Details

https://www.daikin.com/-/media/Project/Daikin/daikin_com/sustainability/pdf/governance/conduct_05-pdf.pdf

6. Proper Management and Utilization of Information

We shall properly manage our company's confidential information, as well as confidential information on other companies obtained from our suppliers and other entities, and the personal information of our customers and employees. In addition, we shall effectively utilize such information and shall not obtain such information through improper means.

We shall understand information security-related laws and ordinances, guidelines prescribed by national governments, and other social norms, as well as the internal rules established by our Group, ensure information security management, and strive to prevent information security incidents by implementing actions and measures in accordance with such laws, ordinances, guidelines, norms, and rules. Should an information security incident arise, we shall take appropriate responsive actions to prevent further damage.

Specific Details

https://www.daikin.com/-/media/Project/Daikin/daikin_com/sustainability/pdf/governance/conduct_06-pdf.pdf

7. Prohibition of Insider Trading

To maintain the trust of shareholders and investors, we shall not engage in insider trading (e.g., purchasing and selling of stocks) by using non-public information about the Daikin Group or other companies we come to know through our business operations.

Specific Details

https://www.daikin.com/-/media/Project/Daikin/daikin_com/sustainability/pdf/governance/conduct_07-pdf.pdf

8. Timely and Appropriate Disclosure of Corporate Information

We aim to be an "open company" that is trusted by society and highly transparent. To this end, we will actively and timely disclose our corporate information, including non-financial information, such as our management strategies, environmental initiatives, CSR activities, and governance, not only to our stakeholders such as shareholders and investors, but also to a society at large. We shall also engage in two-way communication.

Specific Details

https://www.daikin.com/-/media/Project/Daikin/daikin_com/sustainability/pdf/governance/conduct_08-pdf.pdf

9. Preservation of the Global Environment

We shall comply with all applicable environmental laws and ordinances of each country and region and implement initiatives designed to preserve the environment throughout our value chain, including research and development, procurement of materials and parts, production, and use and disposal of products. Furthermore, each of us shall deepen the understanding of environmental issues, including climate change, resource depletion, and biodiversity, and strive to address social challenging by reducing environmental impact.

Specific Details

https://www.daikin.com/-/media/Project/Daikin/daikin_com/sustainability/pdf/governance/conduct_09-pdf.pdf

10. Ensuring the Safety of Operations

We shall always place our top priority on safety in all operations. Ensuring the safety is the foundation of corporate management and represents a critical responsibility to society. Therefore, we shall comply with the relevant laws and ordinances and commit to creating a safe and secure workplace environment through autonomous and voluntary safety activities.

Specific Details

https://www.daikin.com/-/media/Project/Daikin/daikin_com/sustainability/pdf/governance/conduct_10-pdf.pdf

11. Respect for Human Rights and Compliance with Labor-related Laws and Ordinances

We shall respect the human rights of each and every employee, understand diverse values including culture, ethnicity, generations, and customs, and elevate each employee's unique talents and strengths into the driving force of our organization. Furthermore, we will not discriminate against or harass any person on the basis of nationality, race, ethnicity, religion, color of skin, age, gender, sexual identity, sexual orientation, disability, and other relevant factor.

We shall continue to exchange opinions with our supply chain partners to promote our efforts to respect human rights, and shall contribute to the realization of a society in which human rights are truly respected.

We shall thoroughly comply with labor-related laws and ordinances of each country and region, as well as their spirit. We will never tolerate any form of labor performed against a person's will (forced labor) or labor of children who do not meet the minimum legal working age stipulated by laws and ordinances in each country and region (child labor).

Specific Details

https://www.daikin.com/-/media/Project/Daikin/daikin_com/sustainability/pdf/governance/conduct_11-pdf.pdf

12. Protection of Company Assets and Avoidance of a Conflict of Interest

To carefully protect and effectively utilize our tangible and intangible company assets, we shall ensure their proper management. In addition, we shall not engage in any conduct that pursues personal interests alone, or creates a conflict with the company's interests (i.e., conduct constituting a conflict of interest) in the course of performing our business operations.

Specific Details

https://www.daikin.com/-/media/Project/Daikin/daikin_com/sustainability/pdf/governance/conduct_12-pdf.pdf

13. Proper Handling of Accounting Procedures

We shall handle accounting procedures appropriately in compliance with the established accounting standards and tax laws in each country and region, as well as with the internal rules established by our Group. Furthermore, we shall establish an appropriate internal control system to achieve these purposes and strive to maintain and effectively administer it.

Specific Details

https://www.daikin.com/-/media/Project/Daikin/daikin_com/sustainability/pdf/governance/conduct_13-pdf.pdf

14. Prevention of Bribery and Other Corrupt Practices

Emphasizing the transparency of our corporate activities, we shall comply with all applicable anti-bribery and anti-corruption laws and ordinances in each country and region.

In particular, we shall not provide entertainment, gifts of monetary value, or invitations to officials and employees of public organizations in Japan or abroad if such practices would violate applicable laws and ordinances in the relevant country or region. When offering or receiving entertainment, gift, or invitation to or from business partners, including suppliers, we shall ensure that such practices remain within justifiable limits and are permitted under applicable laws, ordinances, and commercial customs in each country and region.

We shall duly conduct political donations and lobbying activities in strict compliance with related laws and ordinances of each country and region, ensuring openness and fairness.

Specific Details

https://www.daikin.com/-/media/Project/Daikin/daikin_com/sustainability/pdf/governance/conduct_14-pdf.pdf

15. A Firm Attitude against Anti-social Activities

We shall take a firm attitude against anti-social forces, criminal organizations, terrorists, and other groups that threaten the order and safety of civil society. In addition, we shall fully understand and comply with anti-money laundering laws and regulations.

Specific Details

https://www.daikin.com/-/media/Project/Daikin/daikin_com/sustainability/pdf/governance/conduct_15-pdf.pdf

16. Relationship with Society

Aiming to be a "good corporate citizen" trusted by society, we shall maintain self-awareness, pride, and responsibility in our own conduct and, at the same time, strive to act and communicate honestly and fairly.

We shall also conduct ourselves in a modest and appropriate manner, especially recognizing that statements made or content posted on social or other media may adversely affect society or our corporate value.

Furthermore, to contribute to the sustainable development of society, we shall strive to address social challenges and engage in social contribution activities, focusing on environmental conservation, educational support, and harmonious coexistence with local communities.

Specific Details

https://www.daikin.com/-/media/Project/Daikin/daikin_com/sustainability/pdf/governance/conduct_16-pdf.pdf

17. Compliance with Industry-Specific Law and Ordinances

To maintain and develop our business operations, we shall accurately interpret and comply with applicable laws, ordinances, and regulations of each country and region, as well as relevant industry standards and international codes, related to all of our business activities.

Specific Details

https://www.daikin.com/-/media/Project/Daikin/daikin_com/sustainability/pdf/governance/conduct_17-pdf.pdf