

## **ESPEC Code of Conduct & Behavior Guidelines**

### **■ESPEC Code of Conduct**

#### Putting our corporate philosophy into practice

The Code of Conduct and Behavior Guidelines are based on our corporate philosophy, THE ESPEC MIND. We will put our corporate philosophy into practice through each individual's actions in compliance with this Code of Conduct and Behavior Guidelines.

#### Compliance with laws, regulations, and corporate ethics

Each individual shall comply with the laws and regulations, social norms, and corporate ethics of the countries and regions in which we operate, and shall perform their duties with integrity.

#### Respect for culture

We will respect the culture and social norms of the countries and regions in which we operate, and make continuous efforts to improve the quality of our corporate culture.

#### Respect for human rights

We respect basic human rights and will engage in no discriminatory treatment, words or action on the basis of gender, age, nationality, race, ethnicity, color, religion, creed, social status, marital status, sexual orientation, gender identity, medical history, viral infection, disability, or other reasons, either within or outside the company.

#### Contribution to protecting, conserving, and improving the global environment

We recognize that protection, conservation, and improvement of the environment is one of the most critical issues facing corporate management, and we will voluntarily and proactively engage in environmental conservation activities in the countries and regions in which we operate.

#### Building relationships of trust with customers

We will endeavor to build relationships of trust with our customers by taking the customer's perspective in all corporate activities.

### Enhancing the workplace environment

We will comply with laws, regulations, and internal rules pertaining to occupational health and safety, and promote a safe and comfortable workplace environment that considers our employees' physical and mental health.

### Appropriate information disclosure

We will provide accurate corporate information to stakeholders in an honest, unbiased, and timely manner.

### Implementing activities that contribute to society

As a good member of society, we will proactively engage in social contribution activities to help build a sustainable society.

### Crisis management

We will implement systematic crisis management to adequately prepare for natural disasters, the spread of infectious diseases, cyber-attacks, and other potential emergencies. In the event of an emergency, we will place the safety of our employees and stakeholders as our first priority and work to minimize the impact.

### Management responsibilities

Management shall take the initiative in carrying out sound business operations in accordance with the Code of Conduct and Behavior Guidelines. In the event of a violation of this Code of Conduct and Behavior Guidelines, we will promptly take corrective measures and endeavor to prevent the recurrence of such violations.

### Raising awareness and educating employees of the Code of Conduct and Behavior Guidelines

We will continuously raise awareness and educate employees on the Code of Conduct and Behavior Guidelines, to ensure that they are well understood within the company.

## ■ESPEC Behavior Guidelines

### 1. Putting our corporate philosophy into practice

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### 2. Compliance with laws, regulations, and corporate ethics

#### Compliance with laws, regulations, and corporate ethics

Each individual shall comply with the laws and regulations, social norms, and corporate ethics of the countries and regions in which we operate, and shall perform their duties with integrity.

#### Early corrective action and strict action against violations of laws and regulations

If we suspect any violation of laws, regulations, corporate ethics, or internal rules in the course of business operations, we will promptly report the matter to the Compliance Control Department, the Internal Reporting Desk, or other appropriate departments and follow the instructions of such department. In the event that a violation is identified, we will promptly implement corrective actions and measures to prevent the recurrence of such violations, as well as take strict action against the party responsible for such violations.

#### Ensuring compliance with import- and export-related laws and regulations, and export control

We will comply with laws and regulations related to imports and exports established for the purpose of maintaining international peace and security, relevant laws and regulations of trading partner countries, and internal rules related to trade. When importing or exporting cargo or technology, we will follow the necessary procedures in accordance with applicable laws, regulations, and internal rules. Preliminary checks are conducted to ensure that laws and regulations are applicable and that applications, customers, and transactions are not likely to lead to diversion to the development, manufacture, or use of weapons or the like.

Prohibition of giving or receiving benefits that violate laws, regulations, or social norms

We will not engage in the giving or receiving of monetary gifts, entertainment, or other benefits that violate laws and regulations, social norms, or general business practices. Further, no offers of personal gain will be accepted.

Maintaining sound and appropriate relationships with political and administrative institutions

We will maintain sound and appropriate relationships with political and governmental institutions. Political donations will be made to the minimum extent possible in accordance with the relevant laws, regulations, and internal rules and in consideration of our relationship with the local community. Donations, etc., will also be made in accordance with internal rules as long as they do not constitute profit sharing and their significance is made clear. Appropriate contributions will be made in compliance with applicable laws and regulations.

Prohibition of involvement with anti-social movements or organizations

We maintain a firm stance against anti-social movements and organizations and will not be involved in any way with those that threaten the preservation of social order and safety or impede sound economic activities. In the event that any unreasonable demands are received, we will not make any compromise in terms of monetary or other means.

Freedom of competition and fair trade

We will comply with the Antimonopoly Act and other competition-related laws and regulations and conduct free competition and fair trade.

Prohibition of obtaining trade secrets of third parties by wrongful means

We will not obtain trade secrets of third parties by wrongful means. In the event that we use a third party's trade secrets in accordance with a contract, we will comply with the purposes and conditions stipulated in said contract.

Respect for intellectual property rights

We respect the intellectual property rights of third parties and will not illegally acquire or use such intellectual property.

#### Appropriate management and proper handling of personal information

We recognize the significance of the Act on the Protection of Personal Information and will appropriately handle the collection, recording, management, use, and disposal of personal information in accordance with said Act and internal rules. Furthermore, we will endeavor to prevent the loss, falsification, leakage, or other misuse of personal information.

#### Prohibition of insider trading

We do not use information that could materially affect the stock price of our company or our suppliers to buy or sell stocks or other securities prior to the release of such information. Furthermore, we will not provide such non-public information to our Directors, employees, or third parties, except in unavoidable business situations.

#### Prohibition of conflicts of interest

Directors and employees shall not engage in any conduct that conflicts or may conflict with their personal interests and the interests of the company.

#### Use of social media in a responsible manner

When using social media, we will comply with laws, regulations, and internal rules, and will not leak confidential or personal information obtained in the course of our business operations. Furthermore, we recognize that even information and opinions transmitted privately are considered to belong to the company and may damage the company's brand, and we will use social media ethically as a sensible member of society.

### **3. Respect for culture**

#### Respect for national and local culture and social norms

We will endeavor to build better relationships with society by respecting the culture and social norms of the countries and regions in which we operate.

#### Promoting corporate philosophy and passing on corporate culture within the company

We will endeavor to pass on our corporate culture to the next generation through regular training programs to instill within the company the values and corporate philosophy cultivated since the company's founding.

#### Improving the quality of corporate culture

We will continuously work to improve the quality of our corporate culture.

### **4. Respect for human rights**

#### Respect for human rights

We respect basic human rights and will engage in no discriminatory treatment, words or action on the basis of gender, age, nationality, race, ethnicity, color, religion, creed, social status, marital status, sexual orientation, gender identity, medical history, viral infection, disability, or other reasons, either within or outside the company.

#### Respect for privacy

We recognize the diverse values of individuals and respect their privacy. When handling personal information in the course of business, we will take the utmost care to ensure that privacy is not infringed, endeavoring to manage such information appropriately.

#### Equal employment opportunities

With respect to the employment of employees, we will comply with the laws and regulations of the countries and regions in which we operate and will endeavor to provide equal employment opportunities.

#### Prohibition of child labor and forced labor

We prohibit the use of child labor and forced labor not only in our own operations but also in those of our suppliers.

#### Addressing human rights violations

We will promptly take action to rectify and prevent the recurrence of discriminatory treatment or infringement of basic human rights that occurs within the company.

### **5. Contribution to protecting, conserving, and improving the global environment**

#### Contribution to protecting, conserving, and improving the global environment

We recognize that protection, conservation, and improvement of the environment is one of the most critical issues facing corporate management, and we will voluntarily and proactively engage in environmental conservation

activities in the countries and regions in which we operate.

#### Promoting business activities to protect, conserve, and improve the global environment

We will endeavor to address climate change, promote the recycling of resources, conserve biodiversity, and prevent environmental pollution, while continuously improving our environmental management activities, products, and services. Furthermore, we will contribute to the protection, conservation, and improvement of the global environment through the provision of products and services to customers in environmental, energy, and other areas.

#### Complying with environmental laws and regulations and setting higher voluntary standards

We will endeavor to protect the global environment by complying with domestic and foreign laws and regulations and by setting our own higher voluntary standards as necessary and conducting activities to achieve such standards.

#### Environmental education and awareness activities

To raise environmental awareness, we will conduct environmental education and awareness activities for employees and their families, suppliers, and the public.

#### Contribution to environmental preservation of society

We will contribute to the environmental preservation of society by providing support for research and technological development related to global environmental conservation, as well as actively engaging in local biodiversity preservation activities and local environmental awareness activities.

### **6. Promoting sound business activities**

#### **(1) Building relationships of trust with customers**

##### Building relationships of trust with customers

We will endeavor to build relationships of trust with our customers by taking the customer's perspective in all corporate activities.

##### Conducting honest and fair business activities

We will comply with laws and regulations, corporate ethics, and internal

rules, as well as respect sound business practices and social norms, and conduct business activities with integrity and fairness. Any customer feedback or requests will be reported to the relevant departments within the company, and efforts will be made to improve future business activities.

Protection and management of confidential business information

We will endeavor to protect and properly manage information concerning third parties obtained in the course of our business activities.

Prohibition of cartels, bid-rigging, etc.

We will not enter into agreements with other companies in the same industry regarding restrictions on sales, technology, or production that mutually restrict free economic activity. Such agreements include not only agreements in the form of specific memoranda of understanding or minutes, but also verbal agreements. We will not convene or participate in any meetings, make any commitments or arrangements, or exchange information with other companies in the same industry that would raise the suspicion of entering into such agreements.

Prohibition of binding resale prices, and tie-in sales

We will not engage in any acts that constitute unreasonable restraints or restrictions on our suppliers, such as binding resale prices or tie-in sales.

Provision of safe and reliable products and services

To provide safe and reliable products and services to customers, we will endeavor to continuously enhance the quality and safety of our products and services. We will establish a system that emphasizes quality and safety in all processes from the product development stage to the delivery of the product. Upon receiving information related to the quality or safety of a product or service, we will investigate the situation and take prompt and appropriate action.

**(2) Protecting company assets**

Proper management and protection of company assets

We will endeavor to properly manage and protect company assets (tangible and intangible assets such as products, equipment, and



information) in accordance with laws and regulations, corporate ethics, and internal rules.

#### Generating and properly managing intellectual property

We recognize that intellectual property rights are essential corporate assets and encourage the active creation of intellectual property and its effective utilization. Furthermore, we will appropriately manage our intellectual property to prevent its illegal use by other companies. Disclosure or provision of information regarding our intellectual property to third parties will be made in accordance with the specified procedures.

#### Ensuring information management

While ensuring the accurate recording, proper management, and disposal of information in our possession in accordance with laws, regulations, and internal rules, we will use such information in accordance with the authority of use stipulated in our information regulations.

#### Prohibition of unauthorized use of company assets

We will use company assets only for company business and not for our own or third party's benefit.

#### Return of company assets upon retirement

Upon leaving the company, all company assets and business-related materials shall be returned to the company. Furthermore, trade secrets and other corporate information obtained during employment shall not be used, disclosed, or leaked without the company's consent.

### **(3) Enhancing the workplace environment**

#### Enhancing a safe and comfortable workplace environment

We will comply with laws, regulations, and internal rules pertaining to occupational health and safety, and promote a safe and comfortable workplace environment that considers our employees' physical and mental health.

Fostering a workplace culture where employees can demonstrate their abilities

We respect the diversity of our employees and foster a workplace culture in which they can fully demonstrate their abilities. Further efforts will be made to establish an education and training system that systematically supports employees' career growth and skill development.

Maintaining good employment relationships

We will always be sincere in our dialogue with employees and endeavor to maintain good labor-management relations.

Prohibition of harassment

We will not use language or engage in conduct in the workplace that is offensive or threatens personal dignity, such as slander, defamation, power harassment, sexual harassment, or the like.

Prohibition of personal conduct within the company

Except as authorized by the company, we will not engage in political or religious activities or solicitation of products or services on the company's premises.

**(4) Appropriate information disclosure**

Appropriate information disclosure

We will provide accurate corporate information to stakeholders in an honest, unbiased, and timely manner.

Compliance with information disclosure rules

We will disclose information in accordance with the Companies Act, the Financial Instruments and Exchange Act, and other related laws and regulations, as well as the Timely Disclosure Rules prescribed by the stock exchanges. We will also disclose other useful information that does not fall under these rules in a proactive and fair manner in accordance with our internal rules to further the understanding of our shareholders and investors.

Prohibition of inappropriate labeling in advertisements and product and service catalogs

We will base our advertisements and product/service catalogs on substantive and objective evidence and will not make false or misleading representations that are not true.

**(5) Promotion of research and development**

Development of environmentally friendly technologies, products, and services

We will promote the development of environmentally friendly technologies, products, and services throughout all stages of the product life cycle and strive to contribute to environmental conservation by promoting widespread use.

Attribution of employee inventions

Employees shall comply with internal rules, which prescribe that applications or intellectual property rights for employee inventions, employee ideas, employee creations, and employee works of programs and other works shall belong to the company.

**(6) Ensuring quality and safety of products and services**

Ensuring quality and safety of products and services

We will ensure the quality and safety of our products and services in compliance with laws, regulations, and internal rules. Furthermore, we will prioritize the quality and safety of our products and services and continually strive to improve our quality control system.

Prohibition of the use of false or inaccurate performance data

We will not utilize false or inaccurate performance data to satisfy laws, regulations, codes, standards, or agreements with customers.

**(7) Maintaining equitable business relationships with suppliers**

Appropriate procurement through fair business transactions

While complying with laws and regulations, corporate ethics, and internal rules, we will conduct appropriate procurement based on fair business transactions, respecting sound business practices and social norms. Furthermore, we will execute our contractual obligations to suppliers with

due diligence.

#### Fair selection of suppliers

We will provide our suppliers with a fair opportunity to engage in competitive bidding. Further, in selecting suppliers, we will make fair and impartial decisions, comprehensively considering economic rationality and the prospective partner company's attitude toward compliance with laws and regulations, corporate ethics, and social responsibility.

#### Prohibition of misuse of a dominant position

We will not take advantage of our superior bargaining position to force disadvantageous terms and conditions on our suppliers or impose restrictions on transactions between suppliers and a third party.

#### Ensuring information management of suppliers

In the event that it is necessary to disclose our confidential business information or confidential information of our stakeholders to suppliers, it shall be done in accordance with our internal rules. Furthermore, suppliers are also requested to manage information securely, and the management status of such information is periodically checked.

### **(8) Proper financial accounting and tax treatment**

#### Proper financial accounting and tax treatment

We will comply with accounting laws and regulations, maintain accurate records of accounting information, and perform appropriate accounting procedures and reporting. Furthermore, all tax-related laws and regulations shall be complied with, and appropriate tax reporting and payments shall be carried out.

## **7. Implementing activities that contribute to society**

#### Implementing activities that contribute to society

As a good member of society, we will proactively engage in social contribution activities to help build a sustainable society.

#### Fostering a corporate culture that values social contribution

We will endeavor to foster a corporate culture that values social contribution activities through assisting donations, volunteer activities, and other voluntary contributions to society carried out by our employees.

### Feedback of public opinions and requests

Through interaction with the public, views and requests collected will be promptly shared as feedback within the company for further enhancement of corporate activities.

## **8. Crisis management**

### Crisis management

We will implement systematic crisis management to adequately prepare for natural disasters, the spread of infectious diseases, cyber-attacks, and other potential emergencies. In the event of an emergency, we will place the safety of our employees and stakeholders as our first priority and work to minimize the impact.

## **9. Management responsibilities**

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