

Your Guide to IHI Group's “Basic Code of Conduct”

Company: _____

Department: _____

Name: _____



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| Second edition |

IHI Corporation

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Introduction

In May 2019, the IHI Group Code of Action was newly established. The new IHI Group Code of Action was established based on the Basic Code of Conduct for the IHI Group.

How to use the Guidelines

- 1) Thoroughly read the guidelines and consider how they apply to your work.
- 2) Learn and use the Guidelines.
- 3) Keep the Guidelines handy and refer to them as needed.
- 4) Discuss ways to do business the right way within your own division and formulate detailed rules for your division.

What if something in the Guidelines is not entirely clear?

Don't keep concerns to yourself. Promptly discuss them with your supervisor or a Compliance manager or officer until you reach a satisfactory conclusion.

What if someone violates the Guidelines?

Our regulations punish certain infringements severely. Rest assured that we prohibit retribution against whistleblowers.



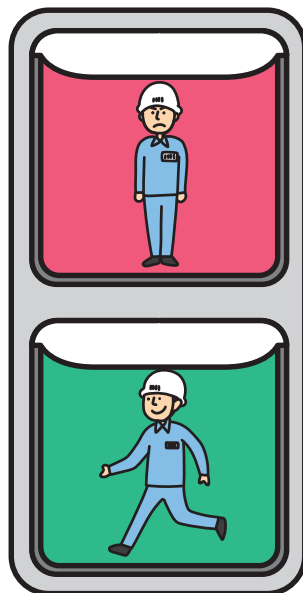
Article 1

Respect for the rule of law and ethical conduct

We strictly observe laws and ordinances based on a clear understanding of their meaning. We also act sincerely and fairly and in accordance with high ethical standards so that we do not violate social rules or international norms.

Non-compliance
will not be
tolerated

Abide by the
rules and act
responsibly



What is most important?

IHI Group defines compliance as:

- Observing strictly all laws, company rules, and other regulations
- Acting in a fair and responsible manner as business people

How should we act?

☐ Observe rules

Act based on understanding the objectives, background, and spirit of the rules. Confirm that our businesses comply with rules, revising them as needed.

☐ Be honest

Quickly identify changing social expectations and environments. Always act responsibly even if rules are unclear.

Related Code of Action

1. We truly understand and will comply with any and all applicable rules.
2. We do not engage in any wrongdoing.

Article 2

Respect for human rights

We fully recognize the importance of, and always strive to respect, human rights during our business activities.



✧What is most important?

Human rights are universal. We must respect the rights of everyone we know through our business.

✧How should we act?

☐ Never discriminate

Respect diversity and never discriminate against people based on their race, color, sexuality, religion, origin, belief, creed, age, disability, or Sexual Orientation & Gender Identity, etc.

☐ Oppose child and forced labor

Never tolerate the use of child labor or of people working under the threat of punishment.

☐ Never use conflict minerals

Never use materials, parts, or products containing conflict minerals*.

Related Code of Action

3. We respect human rights.

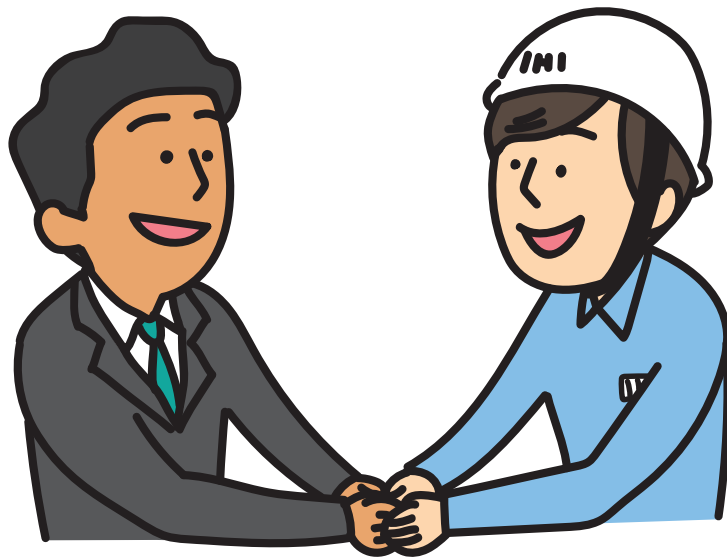
* Conflict minerals fund armed conflict and fuel human rights abuses and environmental damage in the Democratic Republic of the Congo and neighboring countries.

Article 3

Promotion of mutual understanding

In order to promote mutual understanding with those around us, we strive to disseminate information on our business activities, explain the effects of these activities on the surrounding environment, and engage in an exchange of opinions with our broader communities on a daily basis.

Thank you!



What is most important?

Meet society's expectations and build trust so we can maintain operational stability.

How should we act?

☐ Promote dialogue

Engage with society to foster mutual understanding and grow together.

☐ Thoroughly adhere to Sangen-Shugi*

Confirm what is actually occurring in the workplace based on Genba, Genbutsu, Genjitsu, and then take action after understanding the situation correctly.

☐ Provide accurate information

Disclose timely information about our operations, enhancing management transparency and building trust with society.

☐ Protect our information

Our information is our important asset. Never leak confidential information from privileged knowledge of IHI operations.

☐ Prevent insider trading

Never trade in shares, securities, and/or other financial instruments based on nonpublic information.

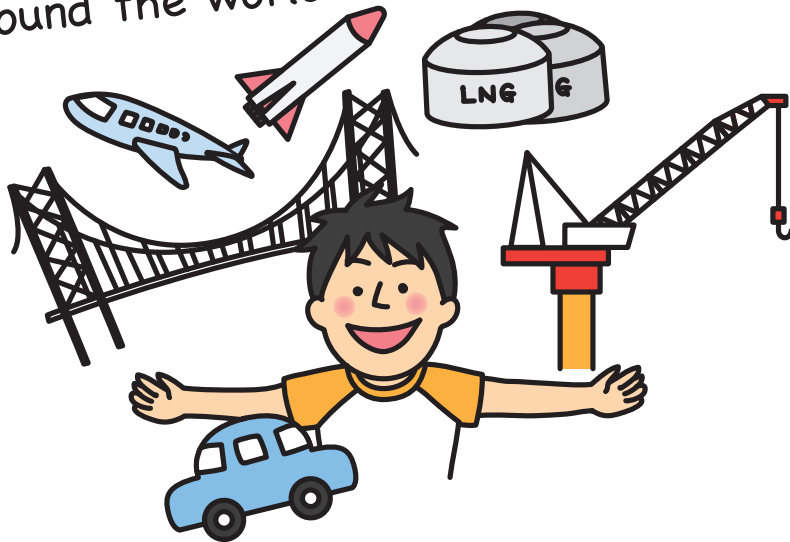
* Sangen Shugi: Literally meaning "the principle of three gens" in Japanese, where "gen" stands for "genba (actual site)," "genbutsu (actual thing/service)" and "genjitsu (reality)," this concept warns employees to make all decisions based on facts as observed and obtained from the actual things/ services where they are actually being made or used by customers.

Article 4

Responsibilities toward people connected with the IHI Group via our products and services

1. We establish relationships of mutual trust with the people with whom we are involved in the course of our business, help solve social issues in a variety of fields by using our abilities to the utmost, and develop and provide products and services to assure more comfortable lives for people around the world.
2. We pay full attention to the safety of the products and services we develop and provide and constantly strive to raise the quality level of our products and services by confirming whether they satisfy customers and users.

IHI's products are realizing people's dreams around the world



What is most important?

Continue fulfilling society's expectations in keeping with our management philosophy of contributing to the development of society through technology.

How should we act?

☐ Address social needs

Provide quality products and services that society wants.
Promptly address problems and prevent their recurrences.

☐ Pursue safety

Make safety a top daily priority, providing products and services that comply with national product liability laws and safety standards.

Related Code of Action

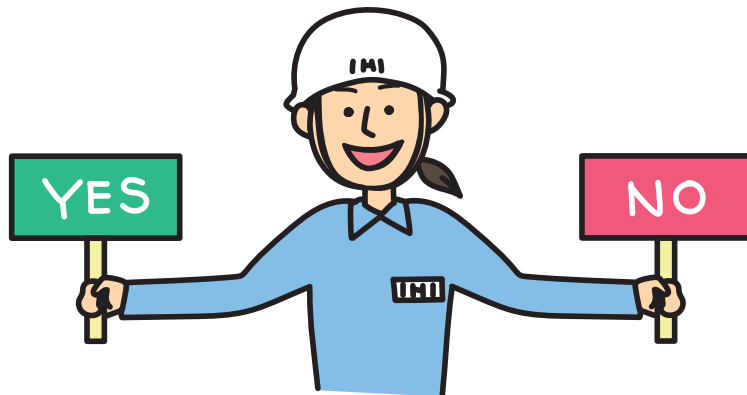
4. We make safety and quality for our customers a top priority.

Article 4

Responsibilities toward people connected with the IHI Group via our products and services (continued)

3. We deal appropriately with other parties in our business transactions and seek profit fairly, while at the same time we strive to establish fair and mutually-productive relationships with our customers and business partners.

Say "No!" to
non-compliant behavior!



What is most important?

Never tolerate injustice. Build healthy relationships with customers and partners to ensure a healthy business.

How should we act?

We (and customers and business partners, where necessary) should:

- ☐ Never engage in bid rigging, cartels, or other activities that diminish fair and open competition.
- ☐ Never entertain, exchange gifts, money, or otherwise seek illicit gains. Never bribe public officials.
- ☐ Protect our patents, trademarks, copyrights, technical information, trade secrets, and intellectual property and never infringe on the intellectual property rights of third parties.
- ☐ Safeguard our information assets from leaks, theft, loss, destruction, fraudulent access, or disasters.
- ☐ Adhere to security trade controls for a safer world.
- ☐ Avoid fraud such as embezzlement, false financial statements and corruption.

Related Code of Action

- 5. We enter into fair and legitimate transactions.
- 7. We strictly manage and control information.

Article 5

Responsibilities toward those with whom we work

We strive to respect mutually the character and individuality of all people with whom we work and maintain a safe, supportive, and comfortable environment in which we can work easily.

We are all making IHI
a Great Place to Work!



What is most important?

Provide job satisfaction so workers reach their full potential in keeping with our management philosophy in which human resources are our single most valuable asset.

How should we act?

We (and customers and business partners, where necessary) should:

☐ Respect each other

Never tolerate behavior that demeans others or disrupts workplaces.

☐ Maintain positive working environments

- Prevent occupational accidents.
- Monitor working hours to maintain employee health.
- Be an equal opportunity employer.
- Develop our human resources.
- Evaluate and treat people fairly.
- Maintain positive industrial relations in keeping with national labor laws and ordinances.
- Protect personal privacy.
- Prohibit alcohol use during working hours.
- Prohibit illegal drug use.

Related Code of Action

6. We never impair the safety of ourselves or our colleagues.

Article 6

Responsibilities toward local and international communities

1. With an awareness that each one of us is a member of society, we actively take part in initiatives to solve the problems faced by society.
2. No matter the region of the world where we conduct our business, we understand the value of the culture unique to each region and strive to meet the expectations of people living there.
3. We take a resolute attitude against organizations and forces that threaten social order and safety.

Let's work together to contribute to society around the world



What is most important?

Help resolve international issues and contribute to communities as a good corporate citizen.

How should we act?

☐ Contribute to community development

Consider local cultures and customs and help encourage local development to satisfy communities.

☐ Maintain social order and safety

Reject elements that threaten social order and safety, and do not engage in money laundering.

Article 7

Responsibilities toward the global environment

Based on our recognition that the global environment provides the foundation for the existence of all societies and cultures, we take care so as not to harm that which also will be needed by future generations and strive to protect, and reduce the burdens on, the global environment, not only in the course of our provision of products and services but also in all other aspects of our business activities.

Let's keep contributing
to conservation through
our technology



✧ What is most important?

Tackle environmental issues, many of which cross national borders.

✧ How should we act?

☐ Create and provide green products and services

Help protect nature and reduce environmental impact, including carefully consider use of the energy and resources we use and the resulting pollution and waste.

Article 8

Roles of senior management

1. Senior management recognizes that their role is to ensure the realization of this Code of Conduct and takes the initiative to demonstrate leadership in order to put the purposes of this Code of Conduct into practice.
2. Senior management ensures that this Code of Conduct is known to all people with whom they work and constantly strives to establish, maintain, and improve effective internal systems and to enhance our corporate value.

Article 9

Responsibilities of senior management

If a violation of this Code of Conduct occurs, senior management will strive to take the initiative to solve the problem, discover its cause, and prevent the recurrence of similar violations. They also will promptly disclose accurate information to society, clarify the responsibilities and scope of the authority of the persons involved, and impartially take disciplinary action even upon themselves.



What is most important?

Senior management should be a model of integrity for employees to ensure healthy operations and improve corporate value.

How should senior management act?

- ☐ Build a framework to materialize the Code of Conduct and track progress.
- ☐ Never tolerate unfair treatment of employees, and reduce risks.
- ☐ Resolve violations of the Code of Conduct.
- ☐ Protect whistleblowers.
- ☐ Avoid conflicts of interest.

Article 10 IHI Group Code of Action

In order to comply with this Code of Conduct, we establish “IHI Group Code of Action” (Refer to Appendix 1) as the code prescribing how directors, officers and employees of IHI Group should make decision and take action in their daily work.

IHI Group Code of Action

1. We truly understand and will comply with any and all applicable rules.
2. We do not engage in any wrongdoing.
3. We respect human rights.
4. We make safety and quality for our customers a top priority.
5. We enter into fair and legitimate transactions.
6. We never impair the safety of ourselves or our colleagues.
7. We strictly manage and control information.
8. If we discover an issue, we report it immediately.



Compliance Framework

The IHI Group bases its compliance framework activities on Plan-Do-Check-Act cycles for all divisions and their affiliated companies. The Compliance Committee has progressed steadily in sharing information on these activities and related challenges.

Compliance Organization Chart



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