

# **Noritz Group Code of Ethics**

**Important things to remember about compliance**

## Introduction

The Noritz Group aims to provide "The Simple Comforts of Life" and requires all members to exhibit appropriate behavior.

Appropriate behavior does not merely refer to following the rules and regulations. In order to continue the good reputation of the Noritz Group, our behavior must reflect our understanding of ethical compliance and our corporate social responsibilities.

The Noritz Group Code of Ethics provides some examples of appropriate behaviors for members of the Noritz Group. While most of the content may seem obvious, please keep in mind that the values explained here all promote appropriate behavior.

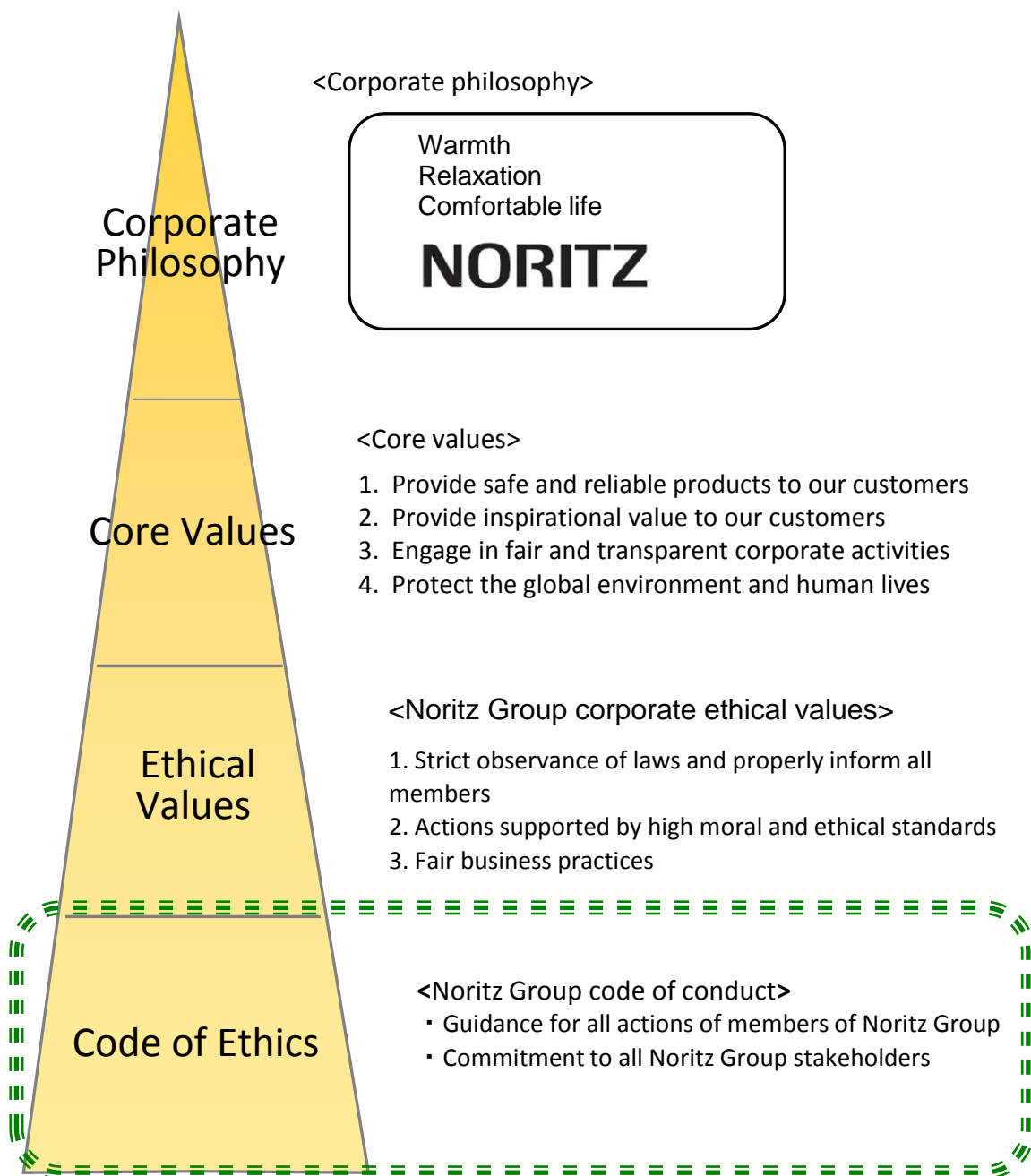
During your daily activities, you may be faced with situations that are not clearly stipulated in this Code of Ethics. When unsure, please consider asking yourself the following questions to determine the most appropriate behavior under the given circumstances.

- 1. Does the action breach legal regulations or internal policies?**
- 2. Does the action deviate from the social norm?**
- 3. How would you feel if the action were publicized on a mass media?**
- 4. Would you be embarrassed to discuss the action with your family?**
- 5. Do you feel that the action is really the right thing to do?**

You do not have to make the decision alone. If you are unsure, please discuss with your coworkers and your designated departments within the organization. If you decide to consult with others, the Noritz Group Code of Ethics should serve as a guide in determining the appropriate course of action. As you continue to learn and gain further experience, please use this Code of Ethics as your guidance.

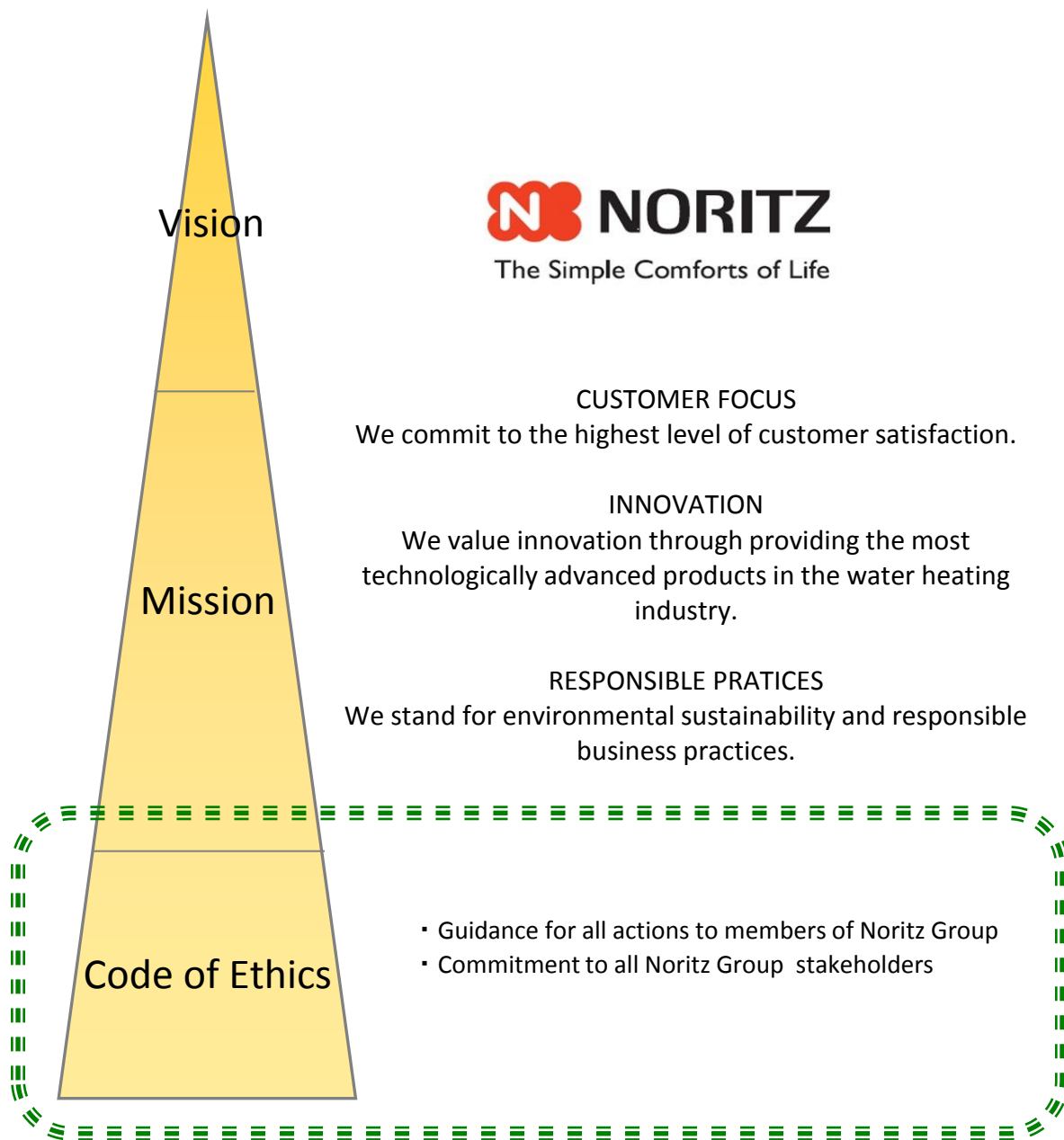
# Noritz Group Code of Ethics Structure

We achieve our corporate philosophy through complying with the Noritz Group Code of Ethics



# Noritz America Code of Ethics Structure

We achieve our corporate vision through complying with the Noritz Group Code of Ethics



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## 1 Human Rights

### Respect for human rights

Respect serves as a fundamental basis for all our activities. We do not discriminate or violate human rights for any reason, whether it be race, nationality or gender.

Are there other ways for discrimination to take place?



### NOTES

Our actions are based on respect for the human rights of all people.

There are various ways in which discrimination can occur; some examples include race, nationality, gender, religion, beliefs, age, place of origin, physical or mental disability, and sexual orientation. We are careful not to cause discomfort to others through discriminatory words or actions.

We treat all related parties, not only in the workplace, but also outside the company (business partners, customers, social community members), fairly and do not discriminate against them.

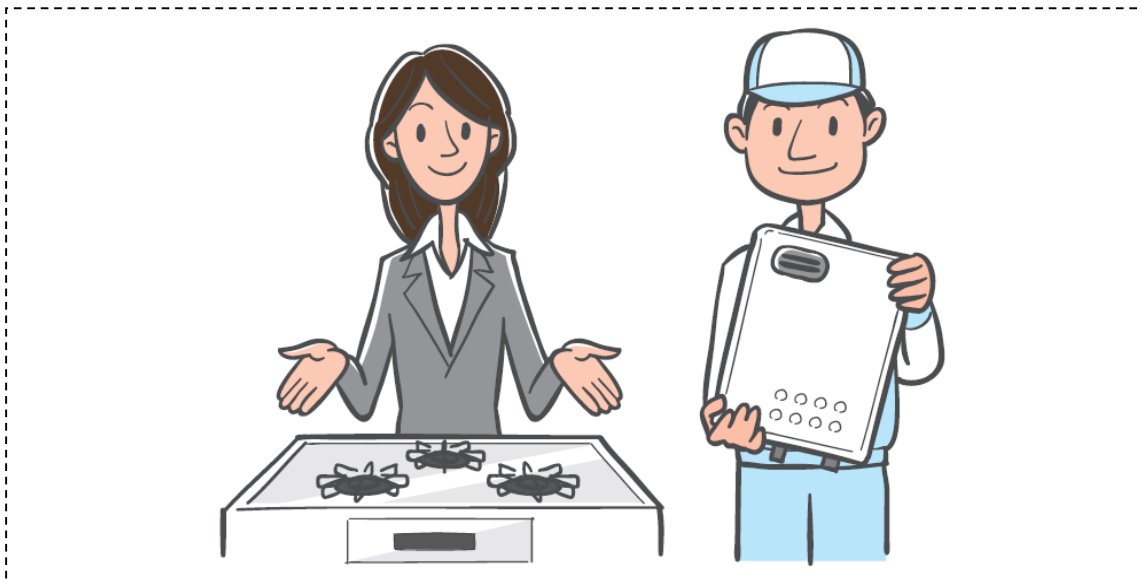
Further, we do not purchase products that are created based on actions that violate human rights, such as forced labor or child labor. We do not tolerate any form of human rights violations.

## 2 Safety and Reliability

### ① Basic Approach to Quality

We highly value customer satisfaction and the safety and reliability of products, operations, and after-sales services.

What processes are implemented by the Noritz Group for quality improvement?



### NOTES

For all business activities performed by the Noritz Group, it is necessary to continually affirm that safety and reliability of our products are being maintained at all times.

The Noritz Group plans and executes voluntary action plans that contribute to a safe and responsible society. Furthermore, while collaborating on the sharing of product quality information and problem resolution among group companies, the Noritz Group works to promote quality assurance activities and quality improvement activities.

In particular, in addition to carrying out risk assessments on safety at each phase of our business activities, we strictly observe related legislation and various regulations, in addition to our corporate policies.

The Noritz Group designs, procures, manufactures, and distributes products with the focus of continual quality improvement. In addition, the Noritz Group provides comprehensive solutions including sales, installations, and after-sales services. Focus on customer satisfaction is an essential factor in every aspect of the Noritz Group activities.

## 2 Safety and Reliability

### ② Accident handling

In the case of an accident resulting in injury to our customers, we promptly address the issue and make sincere efforts to prevent further physical injuries and ensure safety.

What do we do in the case of a product accident?



### NOTES

When we obtain information on product accidents that may result in physical injuries or damages to properties, we promptly confirm the facts, and where there is a safety risk, we make necessary announcements to all related parties both inside and outside the company and to customers in a prompt manner. In addition to giving the highest priority to prevention of further physical injuries or damages to properties, we act promptly and responsibly to determine the root cause of the accident and prevent reoccurrence.

In order to prevent the occurrence of product accidents, the Noritz Group closely monitors the risks related to the use of the product, and in addition to improving safety design, safety devices, and warnings, we continually improve manuals and warning labels, etc. to ensure that customers are made aware of the product safety. We not only collect and share product quality information from all of the Noritz Group companies, but also communicate and disclose this information to related parties inside and outside the company. This allows for collaboration on the resolution of the issue.

We create and continually improve manuals to effectively communicate, disclose, and correct issues to prevent accidents. We continually monitor and assess the conditions for product recalls.

### 3 Relationships with Employees

#### ① Prohibition on harassment

We work to maintain a harassment-free workplace in which all of our employees treat each other with mutual respect.

What are some of the negative impacts on employees in a workplace where harassment takes place?



#### NOTES

The negative impacts of harassment including sexual harassment include:

- Mental or emotional stress causing physical or mental harm to the victims
- Creating discomfort to others in the workplace
- Hindering company operation which may impact company business

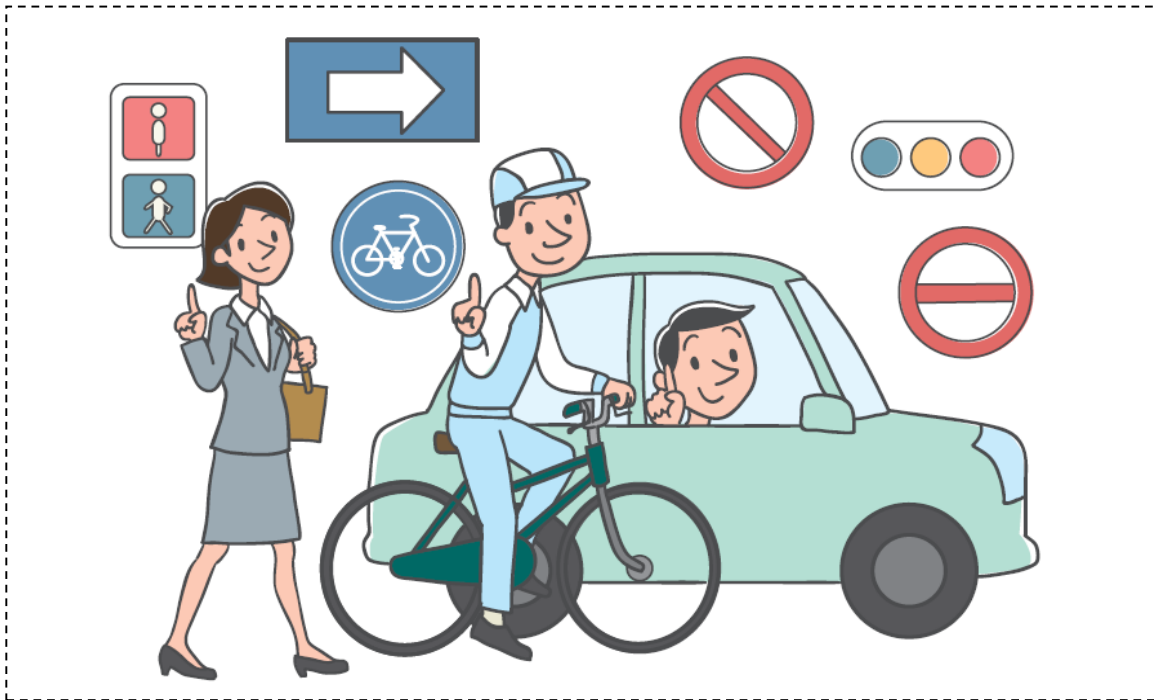
If a situation in which harassment is occurring and not addressed, the company's business may be affected. We do not tolerate any act of sexual harassment in the workplace.

### 3 Relationships with Employees

#### ② Traffic safety

We observe all traffic rules and pay special attention to driving safely.

What are some of negative impacts caused by violations of traffic rules?



#### NOTES

We observe traffic rules at all times.

In particular, when driving to and from work using a company car or one's own car, it is necessary to be fully aware and to observe traffic safety rules.

Driving under the influence of alcohol is prohibited by law, but even when not drinking alcohol, reckless driving that increases the likelihood of accidents must be avoided.

Reckless driving not only causes accidents, but may endanger others and damage the reputation and image of the Noritz Group.

Both at work and outside of work, we observe traffic rules and practice safe driving habits.

### 3 Relationships with Employees

#### ③ Thorough Approach to Information Security

We pay special attention to the treatment of information used in business activities and ensure information security in order to prevent the occurrence of information leaks.

What do we need to do to ensure information security?



#### NOTES

Today, it is almost impossible to conduct business activities without personal computers or electronic devices. While offering convenience, they pose information security risks and as such, we take precautions to ensure information security.

The following are some examples of things to remember:

- Do not connect devices other than those provided by the company (personal USB memory, SD cards, etc.) to the company computers
- Set a password for important information devices and electronic data
- Manage passwords appropriately for each of the systems within the company (do not share password with others and do not write password down where others may see)
- Pay attention to prevent theft of one's information devices, such as cellular phones and personal computers (store in a locker locked with a key, secure with a wire, do not keep in a vehicle, etc.)
- Be conscious of the differences of using to, cc, bcc, etc. on electronic mails

The Noritz Group may suffer significant damages if important information is inadvertently disclosed. In order to protect information security, we take precautions when handling information.

### 3 Relationships with Employees

#### ④ Possession of confidential corporate information

We pay very close attention to ensure confidentiality of confidential information.

In what instances are there risks of corporate information leakage?



#### NOTES

The company's confidential information must be protected from careless disclosure.

Some examples of careless disclosures are:

- Talking about work related matters with colleagues on a commuter train
- Talking about events that happened at the company with family or friends in a restaurant or in the elevator
- Posting company-related topics on the Internet

In any of these cases, once the information has disseminated outside the company, there is no way to retrieve the information. This can lead to a great deal of damage to the Noritz Group.

Even when we are not working, we must not divulge company's confidential information.

### 3 Relationships with Employees

#### ⑤ Treatment of insider information

We never engage in actions suspected of being seen as insider trading, such as the buying and selling of stocks based on important but unpublished information.

When you know there is unpublished information about the Noritz Group, what kind of actions may be suspected of being insider trading?



#### NOTES

Insider trading is when related persons of a company listed on the stock exchange know of an important fact that can influence the stock price of that company, and buys or sells that stock before that fact is publicized. This kind of trade is strictly controlled by law, as it leads to an unfair advantage with other ordinary investors.

Some examples of when employees are subject to punishment under the law for acting on the unpublicized information they have received that can be considered insider trading are:

- Buying or selling their own Noritz stock
- Buying or selling Noritz stock through family or friends

At the Noritz Group, we work to prevent our employees from conducting insider trading by enforcing a regulation to carry out pre-approval procedures when buying or selling stocks.

In regards to listed stocks other than that of Noritz stocks, we work to ensure that our employees know that buying or selling these stocks through the unfair advantage of unpublicized important information is still considered insider trading.

### 3 Relationships with Employees

#### ⑥ Respect for intellectual property rights

We respect intellectual property rights and do not use them unlawfully. Furthermore, we manage our own intellectual property rights appropriately so that others will not use them unlawfully.

What information is protected under intellectual property rights? Further, what do we need to do in order to protect the intellectual property rights of others?



#### NOTES

Intellectual property rights, such as patent rights, commercial trademarks, and copyrights are always playing an extremely important role in business activities. By protecting our own intellectual property rights through appropriate management, we ensure the fair profits of the Noritz Group.

At the same time, it is extremely important to respect the intellectual property rights of others and use them correctly. In particular, in books, magazines, newspapers, and websites, there are documents, diagrams, videos, etc. that are copyrighted. The copying of these documents may lead to an infringement of the copyright.

### 3 Relationships with employees

#### ⑦ Safety and Hygiene

We strive to ensure a safe and hygienic workplace environment in which we can work with peace of mind.

In order to realize safety and hygiene, what kind of topics need to be discussed at each workplace?



#### NOTES

Unless employees are healthy and can work in a safe environment, the business of the company cannot be achieved. In order to maintain a safe and hygienic workplace, the Noritz Group performs regular checks and conducts discussions about the workplace environment.

Issues that are discussed include:

- The work environment, including after-hours work and the state of air conditioner in the workplace.
- Items related to the health of the employees, such as influenza prevention
- Measures to prevent accidents at the workplace

Safety is always the top priority of the Noritz Group.

### 3 Relationships with employees

#### ⑧ Prohibition on seeking personal profit

We are fully aware that the profit of the Noritz Group is also the profit of all of us and we do not perform any actions that sacrifice company profit for our own personal profit.

For example, what kind of actions are pursuant of personal profit, contrary to the profit of the Noritz Group?



#### NOTES

The employees of the Noritz Group engage in operations that contribute to the profit of the Noritz Group. The following actions that pursue personal profit without considering the profit of the Noritz Group are not tolerated. Some examples are:

- Use of company assets and the like for personal purposes (personal calls, copies, email, Internet browsing, etc.)
- Engaging in political or religious activities at the workplace during working time
- Choosing or giving special treatment to a particular business partner because they are an acquaintance can negatively affect profits for the Noritz Group

The profit of the Noritz Group eventually leads to our own personal profit. We work in the best interest of the Noritz Group.

## 4 Relationships with customers

### ① Suitable Presentation

We try to present our products and services to our customers in a way that will be easy for our them to understand.

For example, what kind of expressions would not be suitable as an advertising statement explaining the performance of products?



### NOTES

Communicating the excellence of the products and services provided by the Noritz Group to our customers is important. We try to communicate these information to them in an easy-to-understand way.

Particularly, when emphasizing how good the products and services are, we avoid the following expressions that could cause misunderstandings to our customers:

- Exaggerated expressions
- Misleading expressions
- Evaluations without supporting data

The way to achieving customer satisfaction is through the communication of correct information.

## 4 Relationships with customers

### ② Protection of personal information

We fully understand the importance of personal information and appropriately manage and protect the personal information handled in our business activities.

In particular, what should we pay attention to when dealing with personal information in our daily activities?



#### NOTES

As the types of products and services handled by the Noritz Group continue to increase, there are more and more times when we have to deal with personal information. We fully understand that personal information is important customer information and must be handled in line with the designated procedures.

In terms of personal information, we avoid the following activities:

- Leaving a bag containing documents, a PDA (Personal Digital Assistant), company-owned telephones, etc. on trains
- Leaving documents, etc. on the copy machine
- Sending emails or faxes by mistake

## 4 Relationships with customers

### ③ Handling of complaints etc.

We deal with complaints from the customer promptly, sincerely, and fairly.

What should we pay attention to when handling complaints from customers?



### NOTES

When we receive complaints from our customers, there may be times when we increase the dissatisfaction and anger of our customers due to the way we handle the situation on the receiving side.

We pay attention and work sincerely in order to:

- Use polite language so as not to cause a sense of discomfort
- Explain in an easy-to-understand way from the customer's point of view
- Apologize sincerely for any mistakes on our side

However, when handling such complaints, any invalid requests from customers are firmly refused. Treating all customers fairly and equally rather than dealing with particular customers in a preferential way will lead to true customer satisfaction. When we find it hard to judge whether the demand from the customer is appropriate or not, we handle this by consulting with related departments.

## 5 Relationships with business partners

### ① Conformance with agreed contractual conditions

We conclude agreements based on internal rules and follow the agreed conditions in order to trade in a fair and appropriate way.

Who makes the final decision on entering into a contract?



#### NOTES

Even a verbal promise can be a binding contract. For this reason, obtaining appropriate authorization to enter into a contract is necessary.

We are aware of the impact that our words and actions can have and never do anything that will jeopardize the Noritz Group.

## 5 Relationships with business partners

### ② Respect for fair and free competition

We respect fair and free competition and do not engage in inappropriate or unfair transactions.

What kind of actions are prohibited in order to ensure fair competition?



#### NOTES

In most corporate activities carried out by the Noritz Group, there are competitors. Through competition with other companies, we produce better products and services and thus increase customer satisfaction. Furthermore, in order to provide better products and services, we cooperate with suppliers and sales contacts.

However, we do not engage in inappropriate or unfair trading simply to alleviate competition or to reach a superior position. Actions that are prohibited from the viewpoints of hindering free competition are:

- Price cartels (pre-agreements on the sale price between the competing companies, etc.)
- Inappropriate restrictions on trade (restricting the sales region or resale points, etc.)
- Slander (inappropriate attacks on other competing companies and the like)

When showing the real superiority of the Noritz Group products and services, we engage in fair and free competition without performing inappropriate actions.

## 5 Relationships with business partners

### ③ Fair procurement

In regards to the procurement of materials, parts and the like, we fairly select our trading partners according to selected standards and treat each partner equally.

What should we do in order to carry out procurement in a fair way?



#### NOTES

The Noritz Group activities require the cooperation of a large number of business partners. In order to ensure optimal procurement, we have opened our doors both domestically and internationally. We also select trading partners in a fair way, through the agreed basic standards.

Furthermore, we conduct trades with trading partners from an equivocal and fair stance. We do not perform actions that force unfair transactions on trading partners through the abuse of a dominant position such as:

- Dumping (inappropriately setting significantly low prices)
- Delivery refusal
- Inappropriate returns (whereas the business partner is not responsible, the received parts are returned)

The Noritz Group aims to avoid procuring materials that can be associated with conflict minerals.

## 5 Relationships with business partners

### ④ Entertaining and exchanging gifts

We do not engage in entertainment or gift-giving and receiving beyond the accepted limit.

What should you pay attention to when you entertain or are entertained by a business partner?



### NOTES

As long as it is within the range of approved commercial practices, there is no problem with the giving and receiving of gifts or entertaining and being entertained.

However, if we carry out extreme entertainment or exchange of gifts that exceeds the approved commercial practices, this may lead to unsound business relationships with business partners, etc. and may make it impossible for fair and just business activities to take place.

If entertainment that is not a usually approved commercial practice is sought by a business partner, this should be refused after consultation with a supervisor.

## 5 Relationships with business partners

### ⑤ Import and Export

We carry out appropriate merchandising and trade to promote the health and safety of the international society.

What should we not import or export?



### NOTES

The Noritz Group imports to and exports from various countries through following laws, regulations, and or corporate policies.

In particular, in order to maintain the safety and order of the international society, we cannot import or export from entities using business for armed groups and products that are prohibited by legislation in various countries.

At the Noritz Group, we have a social duty to the international community to not engage in practices that are not in accord the law.

## 6 Relationships with the global environment and society

### ① Preservation of the global environment through business activities

We strive to preserve the global environment through our business activities and achieve a sustainable society.

What needs to be done by the Noritz Group in order to preserve the global environment?



#### NOTES

The Noritz Group is engaged in the following activities with the aim of contributing to the preservation of the global environment through:

- the operation and continual improvement of an environment management system
- the conducting of environmental education and environmental social contribution activities with the aim of improving awareness of the environment
- the promotion of energy saving and recyclable energy
- the reduction of waste and promotion of resource recycling
- the prevention of environmental contamination in the region
- the consideration of the preservation of biodiversity
- the conducting of positive environmental communication through the transmission of information and communication with stakeholders

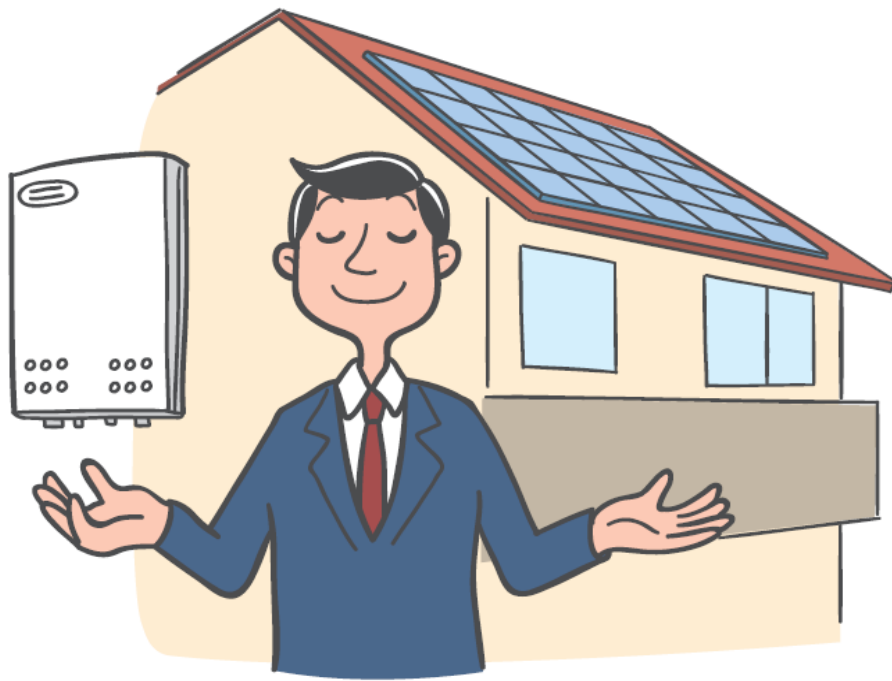
We fulfill our social corporate responsibility and contribute to the achievement of a sustainable society.

## 6 Relationships with the global environment and society

### ② Preservation of the global environment through products

We contribute to the preservation of the global environment through our products.

What is involved in preserving the global environment through our products?



#### NOTES

The Noritz Group is developing technology and products for a sustainable society and is contributing to the preservation of the global environment.

The following are examples of products that contribute to the preservation of the global environment:

- Energy saving products
- Products using recyclable energy
- Managed products with reduced harmful substances
- Products that consider resource saving or recycling
- Products that consider biodiversity

We are involved in the preservation of the global environment not only through our products, but through our planning, development, production, sales, operation, and after-sales service as well.

## 6 Relationships with the global environment and society

### ③ Activities that contribute to society

We actively contribute to our society.

What activities can we perform in order to contribute to society?



#### NOTES

We realize that in order to be a respected company in our society, we must contribute to the betterment of our society by providing better products and strengthening trust and relationships with various members of society.

In addition to our business activities, we also participate in:

- regional cleaning activities
- volunteer events

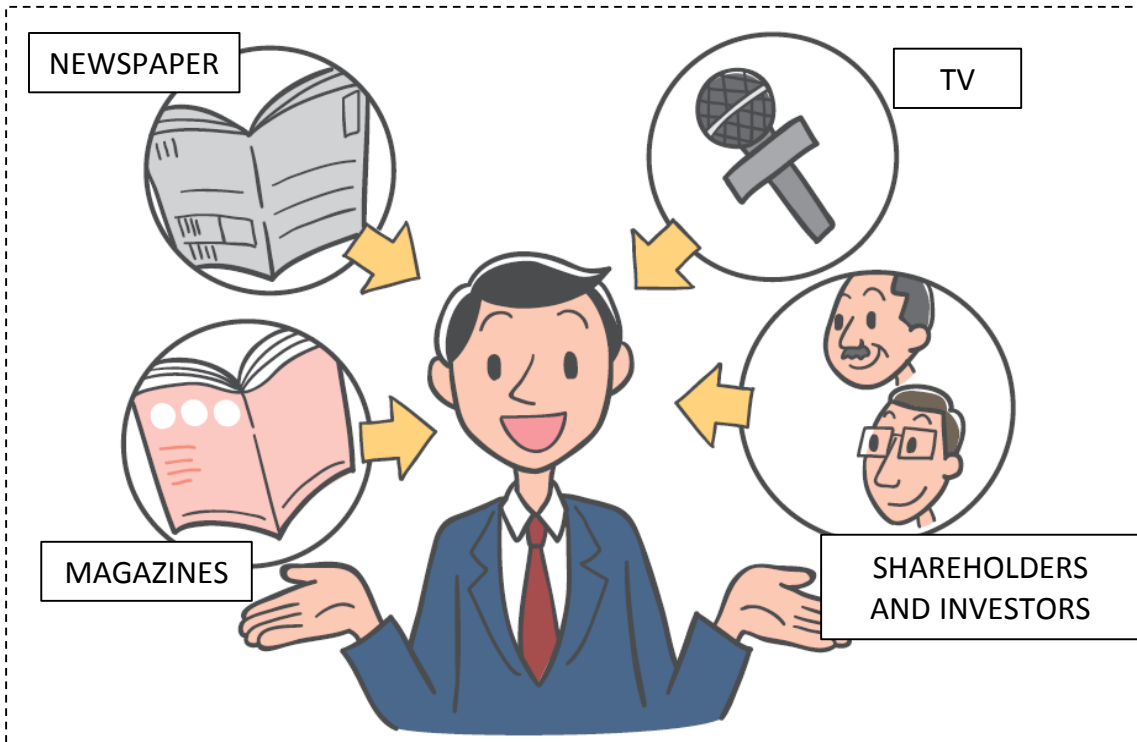
In the various offices of the Noritz Group and as individuals, we consider what we can do for the local society and aim to be a contributing member of our society.

## 6 Relationships with the global environment and society

### ④ Appropriate disclosure of corporate information

We disclose corporate management information according to the appropriate method.

Through what media are our financial reports, new products, and articles on recall reported?



### NOTES

Business partners, shareholders, and investors are interested in the business results of the Noritz Group.

For this reason, when the Noritz Group is disclosing information, it is disclosed following the appropriate procedures.

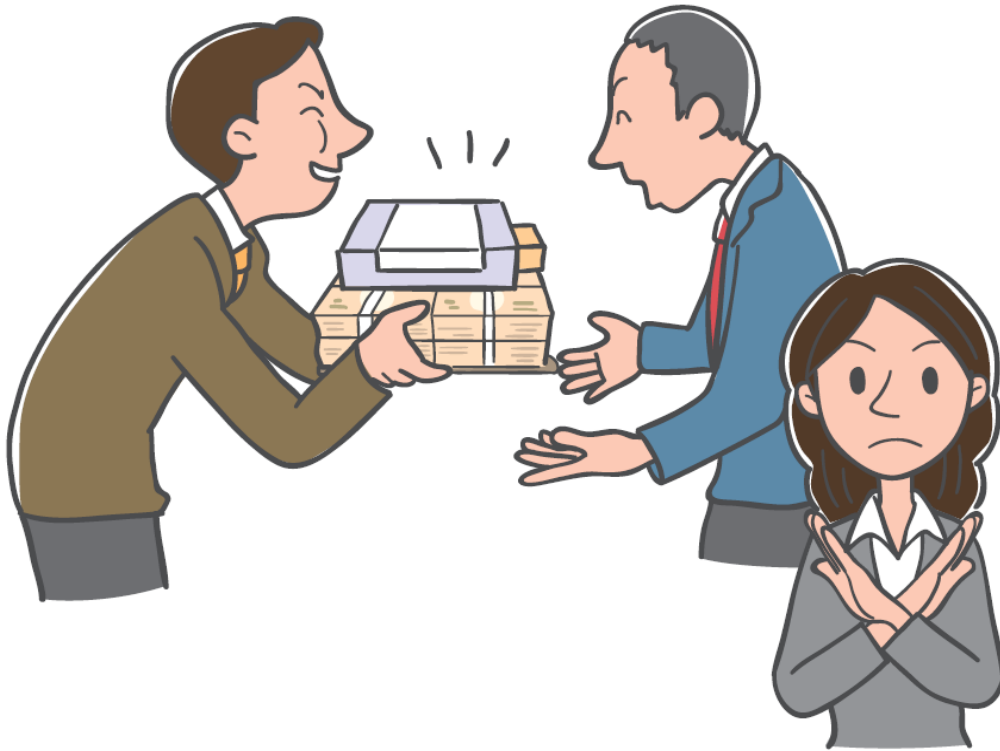
When there is an inquiry from the media, we report to our supervisor or spokesperson for further instruction.

## 6 Relationships with the global environment and society

### ⑤ Prohibition on the giving and receiving of bribes

We maintain sound and proper relationships and do not provide or receive bribes.

Can we entertain public servants?



#### NOTES

The Noritz Group maintains an appropriate relationship with the political groups and government agencies.

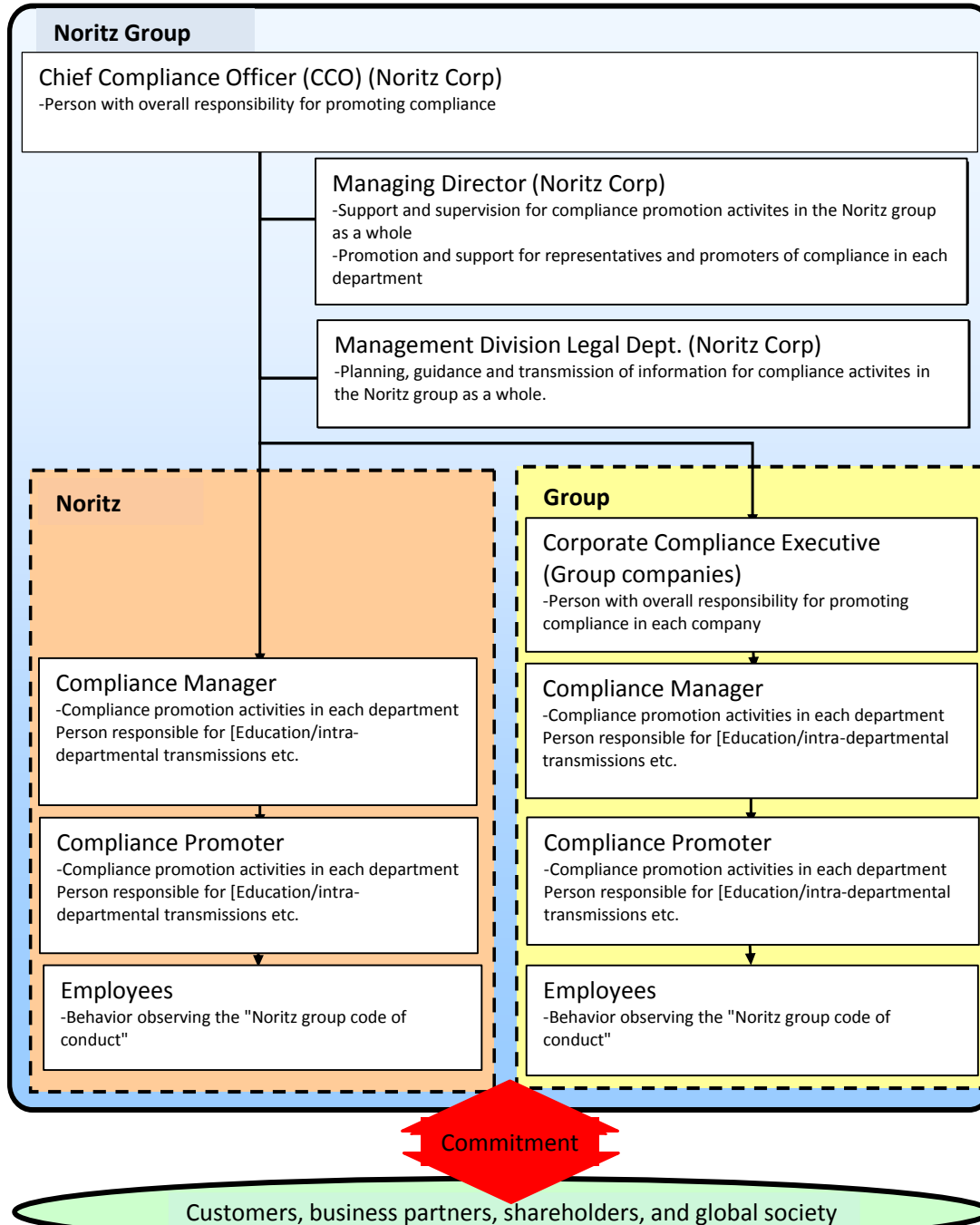
In particular, public servant ethical code as well as the Noritz Group policy prohibit the giving and receiving of entertainment to and from public servants.

Political fundraising tickets are purchased based on corporate policy.

## 7 Noritz Group approach to compliance

### ① Compliance promotion structure

We establish and maintain the following organizational structure, in order to promote compliance.



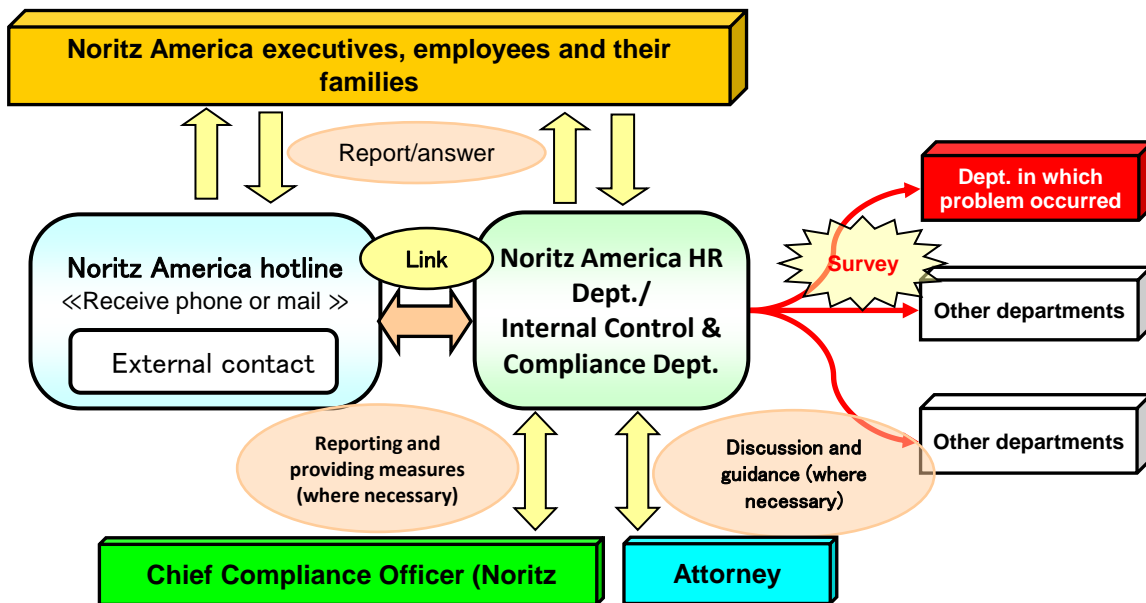
## 7 Noritz America Approach to Compliance

### ② Noritz America Hotline

If we become aware of behavior that breaches the code of ethics, and we do not foresee being able to resolve the problem, we discuss with our supervisor or related departments.

The Noritz Group executives and employees have a duty to report noncompliance, such as legal violations or significant internal regulation breaches to direct supervisors or related departments. However, where despite reporting such noncompliance, we are not able to receive support from direct supervisors or related departments or there is a reason to avoid reporting, we should contact the “Noritz America hotline” directly.

We will, to the extent possible, protect the secrecy of the reporter and we will work to ensure that the person does not suffer disadvantage.



### Noritz America Hotline Contacts

<<External contact>> Terri Olson : HR Consultant  
Telephone: 714-441-2422 E-mail: [tolson@noritz.com](mailto:tolson@noritz.com)

## Noritz Group Code of Conduct (NB-02000)

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Applied target : Noritz Corporation and Noritz group companies  
domestically in Japan  
Conforming standards : UN global compact  
ISO26000  
Permission for improvements and abolition : Noritz Inc board of directors  
resolution  
(for minor changes, decided by Noritz Corporation management HQ)  
Date of issue : April 2014 first edition issued  
(most recent version published on Noritz Corporation home page)  
Department responsible for issuing : Noritz Corp, Management HQ, Legal  
Division-