

# Code of Ethics

**Rinnai**

## Code of Ethics

### Fundamental Concept

品質こそ我らが命

Quality is our destiny

## Top Message

1st of April, 2019

Since the foundation, we, Rinnai Corporation, have been developing by providing various products and services that meet the diversified needs of customers under the keywords of “Safety and peace of mind”, “Comfort” and “Friendly environment”.

I consider such development comes from a result of trust which our forefather built up. Under the circumstances that the globalization of the enterprise as well as local areas sectors expands and various sets of values are crossed each other at different angles, the demands for social responsibility to the enterprise group will be expanded more and be held strictly accountable.

I believe social responsibility for Rinnai Group is our contribution to social development not only by complying with social rule including laws and regulations but also by behaving in a responsible manner with high ethical standard.

Therefore, we shall recognize fulfilling our social responsibility in any business decision extremely important.

Rinnai Group sums up our basic philosophy as “Rinnai Group Code of Ethics” and sets up “Rinnai Code of Conduct” which is basic principles and policies to be follows in daily activities.

We shall make an effort to practice along “Rinnai Group Code of Ethics”, deepening its understanding usually and we think it essential that we make a consciousness fixed that our compliance in accordance of “Rinnai Code of Ethics” is top priority.

The behavior of each and every member of Rinnai Group will create Tomorrow’s Rinnai. Let us make “Rinnai Group Code of Ethics” a breathing standard of daily behavior and open the way for wonderful future with our collective powers of Rinnai Group.

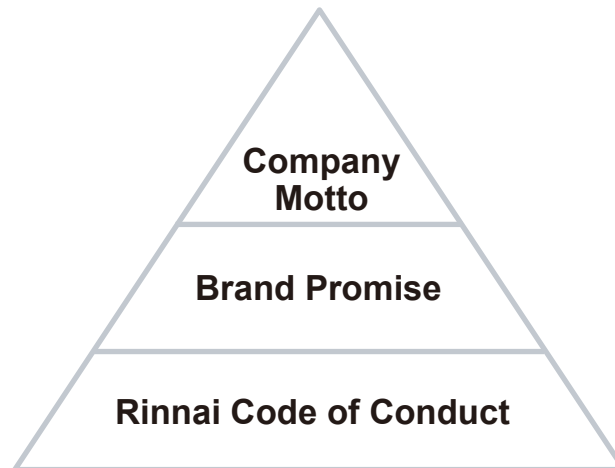
**Rinnai Corporation**

President  
Hiroyasu Naito



## Corporate Philosophy

### Schematic Diagram of Corporate Philosophy



Our Corporate philosophy consists of the Company Motto and Brand Promise, as well as the Rinnai Code of Conduct, which is specific rules of day-to-day corporate activities.

### Company Motto

**Harmony:** Foster people with a rich sense of humanity

**S p i r i t :** Set aims in accordance with our philosophy

**T r u t h :** Apply thinking backed by the fundamentals of science.

### Brand Promise

**Creating a healthier way of living**

# Rinnai Code of Conduct

## Preamble

This Rinnai Code of Conduct (“Code”) establishes the specific rules that all directors, executive officers and employees should follow in carrying out the business activities of the Rinnai Group.

Under the leadership of top management, Rinnai Group shall take measures to ensure that all directors, executive officers and employees are thoroughly familiar with this Code.

Rinnai Group will take strict disciplinary action against any executive or employee who violates these guidelines.

## 1 Basic Policies

### 1.1. Compliance with Laws

We will comply with all applicable laws and company guidelines and pursue fair and sound business practices in all aspects of business activities.

### 1.2. Conduct Based on Good Judgment

We will act in accordance with social norms based on a high sense of morals and ethics as members of society with good judgment.

### 1.3. Personality Development

In order to achieve “Brand Promise”, we will endeavor to develop the following four personalities;

- (1) smart; cleverness to seek a social profit freely and purely:
- (2) out of the box thinking; challenging spirit to consider flexibly:
- (3) cheerful; attitude and willingness to let customers feel pleasure and impression:  
and
- (4) ambitious; strong will to keep straight and honest.

### 1.4. Promotion of Two-Way Communications

We will promote two-way communications by engaging in dialogue with a wide range of stakeholders including customers, employees, shareholders and investors, business partners, and local communities and will work to solve common social issues.

## 2 Relationship with Customers

### 2.1. “Quality is Our Destiny”

Based on “Quality is Our Destiny,” one of our fundamental concepts, we will pursue and seek to achieve “zero defects”, never allowing defective products into circulation.

## 2.2. Development New Products, Services and Technologies

We will actively undertake development of new products, services and technologies, and will create a healthier way of living with our collective powers of all Rinnai Group.

## 2.3. Ensuring that Customers Are Aware of Safe Methods of Use

We will inform our customers of proper product and service use methods in an easy-to-understand manner so that they can safely use our products and services, and in the case of precautions for use, we will use labeling methods that are visually prominent to caution and warn customers.

## 2.4. Easy-to-Understand Indication in Advertising

We will provide necessary information in an appropriate and easy-to-understand manner through leaflets, catalogs, and other advertising and labels so that customers can objectively and rationally select products and services.

## 2.5. Enhancement of After-Sales Service Systems

We will enhance after-sales service systems so that we can appropriately respond to customer inquiries and complaints in good faith and in a timely manner. We will also organize information concerning needs and complaints received from customers so that we can enhance and improve products and services.

## 2.6. Post-Accident Measures

If a significant accident or problem occurs with regard to a product or service, we will immediately report to top-level management, quickly provide that information to customers, and take timely measures to prevent spread of the damage and reoccurrence of the problem.

# **3 Environmental Protection**

## 3.1. Measures to Address Environmental Problems

We will take measures to address global environmental problems such as preventing global warming based on an awareness of the impact that our business activities have on biological diversity.

## 3.2. Reduction of Environmental Impact

We will reduce our resource and energy consumption and curtail hazardous substances in all aspects of the product lifecycle from development to manufacture, sale, and disposal to mitigate environmental impact.

## **4 Relations with Employees**

### 4.1. Respect for Human Rights

We will not discriminate based on race, color, gender, age, language, religion, nationality, social status, or physical characteristics. We will also respect fundamental human rights and will not engage in sexual harassment or other conduct that makes use of superior position in the workplace to violate human rights.

### 4.2. Prohibition of Child Labor and Forced Labor

We will not use any inappropriate labor including child labor that subjects persons under the legal working age to harmful labor or any form of unjust labor contrary to the intent of workers.

### 4.3. Work-Life Balance

We will strive to maintain a good balance between work and life by normalizing working hours and encouraging diverse working conditions.

### 4.4. Safe and Healthy Work Environments

We will create work environments that are safe as well as physically and mentally healthy and comfortable.

## **5 Relations with Shareholders and Investors**

### 5.1. Information disclosure

We will disclose management information such as our own growth strategies as well as the status of business activities and other information which is required to be disclosed by laws or regulations to shareholders and investors in a timely and appropriate manner, in order to promote understanding of our business activities.

### 5.2. Prohibition of Insider Trading

We will not buy or sell shares using material non-public information about the Rinnai Group or its business partners acquired in the course of performing work duties.

## **6 Fair Operating Practices**

### 6.1. Compliance with Competition Law

To promote and maintain fair and free competition, we will comply with competition and antitrust law. We will not enter into bid-rigging agreements or cartels with competitors in the industry or form other agreements with the objective of hindering competition and will not engage in any acts that might be construed as such conduct.

## 6.2. Proper Purchasing Activities

- (1) We will ensure fairness and transparency when selecting suppliers based on our basic philosophy “We provide equal opportunities to all domestic and foreign companies and evaluate them fairly to procure excellent parts to meet our requirements.”
- (2) We will not use our dominant position or engage in conduct that improperly causes disadvantage to suppliers and seek to build trusting relationships based on mutual benefit.
- (3) We will encourage suppliers to support our philosophy relating to compliance with laws, respect for human rights, product safety, and environmental protection.

## 6.3. Non-infringement of Intellectual Property Rights

We will not infringe on the intellectual property rights of others.

## 6.4. Prohibition of Excessive Gifts and Entertainment

- (1) We will not provide gifts or entertainment to business partners for the purpose of obtaining or retaining business or obtaining any other favorable action.
- (2) In the event gifts from or entertainment by a customer exceeds the bounds of acceptable social standards, we will immediately withdraw from the event or return the gift.

## 6.5. Prohibition of Bribery of Politicians and Local Governments

- (1) We will not engage in any gift-giving or other unlawful conduct to domestic or foreign public employees and will not engage in any conduct that could be construed as such conduct.
- (2) We will not engage in any conduct such as the provision of benefit to politicians or local governments that could be misinterpreted as improper collusion.

# **7 Relations with Local Communities**

## 7.1. Contributions to Local Communities

We will respect the diverse needs of local communities and form close ties with and work in collaboration with local communities in order to contribute to the enhancement of lifestyles in those communities.

## 7.2. Fostering Local Industry

We will not only provide products and services based on a solid understanding of the lifestyles, culture, and practices of each country and region, but will also



work to contribute to the development of local industries based on local production for local sale.

## **8 Protection of Assets and Information**

### 8.1. Prohibition of Improper Use of Company Assets

We will recognize company assets, whether tangible or intangible, as valuable. In order to use such assets effectively, we will manage them and will not use them for personal or improper purposes.

### 8.2. Protection of Confidential Information

We will not use company confidential information for personal purposes or divulge or release company confidential information while employed by the company and after separation from the company.

### 8.3. Protection of Personal Information

We will recognize the importance of protecting of personal information and will properly handle personal information in accordance with Privacy Policies and internal rules which we establish ourselves.

## **9 Security Trade Controls**

We will set up a mechanism to ensure compliance with laws and regulations concerning security trade control in order to maintain international peace and security.

## **10 Exclusion of Anti-Social Forces**

We will not maintain any relationships whatsoever with organized crime groups or other anti-social forces and will not comply with inappropriate demands from such forces.

# Rinnai Corporation

## **Publication history**

1st edition: October 2007

2nd edition: September 2011

3rd edition: January 2016

4th edition: April 2019