

# **Sekisui House Group Corporate Ethics Guidelines**

## **1. General Provisions**

### **1-1 Purpose**

The purposes of these Guidelines are to establish basic policy related to corporate ethics that must be observed by the company, its directors and employees to promote the corporate activities of each company of the Sekisui House Group (hereinafter called as “the Group”).

### **1-2 Ensuring Full Compliance**

In Japan and overseas, along with compliance to laws and regulations, respect social norms sufficiently understand the corporate ethics sought by the Group and remain careful to act with the conscience and responsibility as a member of society.

## **2. Relationships with Society**

### **2-1 Contributions to Establishment of A Sustainable Society**

Act in balance with the four values of “Environmental Value,” “Economic Value,” “Social Value,” and “Homeowner Value,” to contribute to the achievement of SDGs (Sustainable Development Goals) and the establishment of a sustainable society.

### **2-2 Contributions to Society**

As a corporate citizen, based on the pillars of “environmental awareness,” “training of the next generation,” and “housing culture improvement,” and “support of areas and people affected by disasters,” strive to contribute and develop society through activities, such as support of culture and art, cooperation with local communities, participation in volunteer activities, contributions to international society, cooperation with and support for NPO/NGOs, educational support activities, and cooperation with regional communities and societies.

### **2-3 Compliance with Various Industry Laws and Related Laws and Regulations**

- (1) Comply with the industry laws related to the manufacturing, development, importing, storing, design, construction, sales, transport, exporting, and repair of housing, materials for housing, and equipment relating to housing, the buying, selling, leasing, intermediary services, agency services, and management in respect of real estate, residential area development and urban development. Along with executing proper procedures for acquiring permissions and submitting documents, take sufficient caution not to violate laws during all business operations.

- (2) Comply with various related laws and regulations in the execution of other related businesses and take sufficient caution to conduct business operations according to laws.

#### **2-4 Restrictions on Donations and Political Contributions**

- (1) Upon donating to various organizations, etc., recognize the roles of companies in society, proactively judge the need for donations, comply with related laws and regulations, and follow proper methods.
- (2) Upon making political donations, comply with related laws and regulations including the Public Offices Election Act and the Political Funds Control Act, carefully avoid any and all action that can be misunderstood as colluding with politicians or government officials by bribery and payoffs, and strive to create healthy and transparent relationship with all parties.
- (3) Receive prior authorization according to internal rules upon making various donations and contributions.

#### **2-5 Severance of Relations with Antisocial Forces**

- (1) Maintain a basic knowledge of laws, social common sense, and sense of justice in order to avoid becoming involved in illegal and antisocial acts. Strive to act conscientiously at all times.
- (2) Stand up resolutely against antisocial forces and have no relations with them. Furthermore, upon receiving an unreasonable request from antisocial forces, assume a firm attitude and do not try to settle the matter with monetary or other such offerings.
- (3) Do not use antisocial forces to profit the Group or one's self.
- (4) Do not conduct any transactions with antisocial forces or organizations and individuals who have relations with antisocial forces.

#### **2-6 Conservation and Protection of the Environment**

- (1) Maintain sufficient awareness of the importance of protecting the environment at all times upon the research, development, manufacturing, sales, and disposal of housing, housing materials, and equipment related to housing, as well as upon land transactions. Comply with pacts, laws, and regulations related to the environment and conduct the above matters in consideration of the environment.
- (2) Proactively promote the sale of eco-friendly homes and energy-creating/energy-saving remodeling in order to proactively promote CO<sub>2</sub> emission reduction in both daily life and production.
- (3) Promote greening projects that consider conservation of natural ecosystems in order to proactively promote the restoration of ecosystem networks. Furthermore, prevent illegal logging and loss of natural ecosystems, consider the independence of regional economies in the producing

area, and proactively promote the sustainable use of timber.

- (4) Strive to limit waste products throughout the life cycle of housing, housing materials, and equipment related to housing, and proactively promote recycling of resources to fully promote resource cycle initiatives.
- (5) Proactively promote environment conservation activities at the business sites, such as saving energy, creating energy, the purchase of eco-friendly office supplies, and the conservation of paper resources through paperless operations.
- (6) Work with educational institutions to proactively promote enlightenment activities which raise awareness of environmental issues, such as support activities for environmental education.

## **2-7 Compliance with Laws and Regulations Related to Importing and Exporting**

- (1) Conduct proper customs clearance procedures according to related laws and regulations upon importing or exporting products or raw materials.
- (2) Do not export goods prohibited from being exported and do not import goods prohibited from being imported.
- (3) Do not handle products or raw materials which were produced, manufactured, or transported under conditions which violate human rights, including child labor or forced labor.

## **3. Relationships with Customers, Business Partners and Competitors**

### **3-1 Safety of Housing, etc.**

- (1) Upon manufacturing, development, importing, storing, design, construction, sales, transport, exporting, and repair of housing, materials for housing, and equipment related to housing sufficiently understand laws and regulations related to safety and health and safety standards, and always strive for improvement of safety.
- (2) Upon acquiring the information related to the safety of the housing, housing materials and equipment related to housing, confirm the facts immediately. Upon uncovering a problem, report to the division(s) in charge, respond appropriately, and strive to prevent the recurrence of this problem.

### **3-2 Appropriate Contracts**

- (1) Conduct negotiations with customers based on conscientiousness and honesty. Appropriately establish and explain the terms and conditions of a contract based on fairness and equality.
- (2) Upon making a contract with a customer, do not say nor do anything which would bring about confusion or misconceptions for the customer, including intentionally withholding information which would be disadvantageous or represent a risk to the customer.

- (3) Moreover, all contracts shall be made and implemented legally and appropriately.

### **3-3 Compliance to the Antimonopoly Act**

In all circumstances, do not act in a manner which violates the Antimonopoly Act, including forming cartels, bid-rigging, fixing resale prices or abuse of superior position. Ensure free and fair competition between companies.

- (1) Do not place improper restrictions on transactions, such as colluding with other companies or organizations in the same industry to discuss or conclude agreement for fixing prices, volume, or production facilities as well as bid-rigging.
- (2) Do not engage in unfair business practices in collusion with other companies or organizations in the same industry, such as refusing transactions with specified business entities or new market entrants, or placing constraints on sales prices with purchasers.

### **3-4 Appropriate Transactions with Suppliers and Compliance with the Subcontract Act**

Handle transactions with building contractor partners and other business partners fairly and equally, based on conscientiousness and honesty.

- (1) Upon selecting a supplier from multiple options, fairly compare and evaluate factors such as quality, price, delivery speed, technical development capabilities, stable supply, corporate attitude, social responsibility initiatives, etc., in order to determine the most appropriate business partner.
- (2) Upon selecting and evaluating suppliers, do not use influences which grant specified suppliers an advantageous treatment.
- (3) Form contracts and conduct transactions with suppliers after sufficiently comprehending the Construction Business Act and the Subcontract Act and taking heed not to commit any violation such as delays in payment or unreasonable demands for discounts.

### **3-5 Prevention of Unfair Competition**

- (1) No matter the reason, do not acquire nor use trade secrets of another company through unfair means, such as theft.
- (2) Do not acquire nor use trade secrets of another company in knowing that they were obtained or possibly obtained through unfair means.
- (3) Do not slander nor libel other companies, such as competitors.

### **3-6 Entertaining and Presenting Gifts**

- (1) Do not entertain nor present gifts to public officials or any equivalent individuals.
- (2) Upon entertaining or presenting gifts to business partners, operate within the range of generally

and socially acceptable common sense.

- (3) In principle, do not accept entertainment nor gifts from customers or business partners.

### **3-7 Appropriate Management of Personal Information**

In accordance to the “Privacy policy” properly manage personal information of customers and other business partners. Along with not disclosing nor leaking information outside of the Group without permission, do not use said information for any reason aside from the stated purpose.

### **3-8 Appropriate Advertising**

Upon advertising, all disseminated documents and information must comply with various laws and regulations, including the Fair Competition Codes Concerning Indication of Real Estate and the Fair Competition Codes Concerning the Limitation of Offering of premiums in Real Estate Transactions. Do not use any language which may lead to social discrimination or expressions which may libel or slander other companies. Furthermore, confirm that advertisements are supported by facts, accurate, and not misleading.

## **4. Relationships with Shareholders and Investors**

### **4-1 Improving Corporate Value and Returning Profits to Shareholders**

Strive for improvements to corporate value through sound growth and stable profit returns, and secures substantive shareholder rights and development of systems.

### **4-2 Appropriate Disclosure of Corporate Information**

To shareholders investors and others, disclose proactively not only the financial information, such as financial condition and business results, etc., but also non-financial information, including the management policy and activities related to ESG(Environment, Social and Governance) timely and appropriately.

## **5. Relationships with Employees**

### **5-1 Respect of Human Rights and Prohibition of Discrimination**

Consistently strive to maintain a healthy workplace environment, respect the human rights of each person and do not act in any way that could lead to discrimination. Do not discriminate in hiring and treatment of employees. Furthermore, ensure that other persons are prevented from discriminatory behavior.

- (1) Do not engage in any form of unreasonable discrimination based on birth, nationality, race, ethnicity, beliefs, religion, gender, sexual orientation, gender identity, age, disabilities, preference, educational background, family and others.
- (2) Do not engage in acts which violate human rights through violence, derision, slander, libel, forced labor through threats, bullying, or spread of rumors, etc.

### **5-2 Sexual Harassment**

Eliminate unreasonable work or customs based on gender. Both sexes strive to maintain a pleasant workplace environment in concerned action.

- (1) Do not engage in unwelcome verbal or physical conduct of a sexual nature. Do not engage in behavior which may be misunderstood as verbal or physical harassment of a sexual nature.
- (2) Thoroughly prevent unwelcome verbal or physical conduct of a sexual nature in the workplace. Upon becoming aware of such conduct, immediately take appropriate measures, such as warning the individual who engaged in the inappropriate conduct.

### **5-3 Harassment Related to Pregnancy, Birth, and Childcare Leave, etc.**

Strive to maintain the workplace environment of employees who plan to maintain the employment while pregnancy, birth, taking childcare or caregiver leaves, or receiving medical treatment.

- (1) Do not give a hint of disadvantageous treatment, impede the use, nor harass employees who consider using systems and mechanisms related to the pregnancy, birth, childcare, nursing or medical treatment. Furthermore, do not speak or act in a manner which may lead to a misunderstanding of the treatment above. Do not give a hint of disadvantageous treatment nor harass employees about pregnancy or birth, nor speak and act in a manner which may lead to such a misunderstanding.
- (2) Upon becoming aware of verbal or physical conduct which may impede an employee's work in the workplace, immediately take appropriate measures, such as warning the individual who engaged in the inappropriate conduct.

### **5-4 Power Harassment**

- (1) Refrain from any activities which take advantage of the positions of authority with regard to the employment or personal relationships in the work environment, which go beyond reasonable and necessary scope of duties, that cause other employees mental or physical suffering or that are damaging to the work environment.
- (2) Thorough measures should be taken to prevent any activity that could harm the workplace environment, and appropriate measures should be taken, such as immediate caution, if such activity is recognized.

#### **5-5 Diverse Values**

Recognize that diversity management is a driving force for sustainable corporate growth and innovation, respect the diverse values of individual employees. In addition, support employees to boost their capabilities and expertise through work so that they can grow. Furthermore, support employees' voluntary societal participation.

#### **5-6 Protection of Privacy**

Use employees' personal information only for operational purposes, and appropriately manage this information. Furthermore, keep close supervision over the information so that it is not leaked externally.

#### **5-7 Workplace Safety and Health**

Secure safety and health at the workplace, and strive to establish and maintain a comfortable workplace environment. Furthermore, understand and comply with laws and regulations related to safety and health in operations. If by chance a disaster occurs during work operations, minimize the damage from the event and properly enact procedures for immediate reporting in order to prevent a recurrence.

#### **5-8 Maintenance and Improvement of Employee Health**

Support each employee to ensure they can live a full life in both good physical and mental health.

#### **5-9 Compliance with Labor Related Act**

Comply with labor related laws and strive to maintain a healthy working environment which is easy to work in.

- (1) Follow proper work procedures. No false reports of working hours, etc., shall be accepted without exception.
- (2) Comply with the related laws and regulations such as the Labor Standards Act and labor-management agreements, and thoroughly manage working days and hours, etc.
- (3) Do not impose tasks which force excessive labor or overtime, and realize diverse and flexible

working style.

- (4) Managers must consistently take heed of the workload of their subordinates and their mental and physical health condition, and take prompt action to the subordinates experimenting health issues.



## **6. Relationships with Company and the Assets**

### **6-1 Compliance with Employment Rules**

Employees must consistently comply with the employment rules.

- (1) Do not engage in any behavior prohibited in the employment rules.
- (2) Do not engage in any improper or dishonest conduct which violates the employment rules.

### **6-2 Appropriate Accounting Processes, etc.**

- (1) Upon entering information on a slip or accounts register, accurately enter information according to related laws and regulations and internal rules. Do not make false or fictional reports or descriptions, or do not establish off-the-books assets.
- (2) Use proper administrative procedures in reporting contract results or sales in compliance with internal standards.

### **6-3 Prohibition of Conflicts of Interest**

Do not engage in any activities which produce conflicts of interest for the company to which each employee belongs.

- (1) Do not work nor have any financial relationship with competitors or business partners as employees, consultants, etc.
- (2) Do not engage in business which is in competition with the company to which each employee belong is in.
- (3) Do not engage in business as a business partner of the company
- (4) Upon purchasing the company products, do not receive advantageous treatment which exceeds the standards set by the company, such as employee discounts, etc.

### **6-4 Prohibition of Political and Religious Activities**

Do not engage in political or religious activities during working hours.

- (1) Do not solicit participation in a political organization, request voting in an election, nor engage in campaigning during working hours.
- (2) Do not solicit participation in a religious organization, push beliefs onto others, request donations, nor distribute pamphlets for solicitation during working hours.

### **6-5 Management of Trade Secrets of Company**

Appropriately manage trade secrets of the company and do not disclose or leak trade secrets of the company externally without permission.

- (1) Rigorously manage trade secrets of both the Group and other companies, and do not leak secrets

externally nor use them for a purpose other than the operational purpose.

- (2) Upon disclosing confidential information of the company externally, strive to prevent leakage of the information, such as closing non-disclosure agreements, etc.
- (3) Do not make unauthorized use of the trade secrets of other companies. Furthermore, do not use the trade secrets of other companies for purposes other than the purpose permitted by the other company.
- (4) After retirement, do not leak confidential information of the company or obtained from other companies. Furthermore, do not use such confidential information for any purpose.

#### **6-6 Prohibition of Insider Trading**

Upon knowing internal information or being informed of the internal information by the person who acquired the internal information, regarding one's own company affiliated companies, or business partners during the execution of one's duties, do not buy nor sell stock, investment units, or bonds of the pertinent companies until this information is officially announced. Upon purchase or sale of stock, investment units, or bonds from one's own company or company related to one's business execution, confirm the existence of internal information beforehand. Such transactions are not allowable and are prohibited even through an intermediary or even if they do not lead to personal profits.

#### **6-7 Appropriate Use of Company Assets**

Efficiently use company assets, and be aware of the need to ensure assets are kept in the condition in which they can be used at any time. Whether tangible or intangible, manage assets appropriately to prevent damage, theft, etc. Do not use company assets or expenses for personal purposes.

#### **6-8 Appropriate Use of Information Systems**

- (1) Only use the company's information systems for business operations. Do not use company's information systems for personal reasons, nor use the company's information system equipment for personal purposes, such as posting on the internet or sending personal email.
- (2) Rigorously manage ID and passwords for the company's information systems, and prevent this information from leaking externally.
- (3) Do not steal others' IDs or passwords, nor trespass on others' computer systems.

#### **6-9 Protection of Intellectual Property Rights**

The company's intellectual property rights are important company assets. Appropriately use these assets and strive to protect these rights.

- (1) For inventions made through production and development activities, strive to protect the company's intellectual property rights by prompt filing of patent application and other such

measures.

- (2) Do not engage in acts which violate the intellectual property rights of others, such as copying a computer software without license.
- (3) Use the intellectual property rights of business partners after signing an appropriate contract, and avoid unauthorized use.
- (4) Upon determining a sales plan or product name, take appropriate measures to prevent a violation of the trademark of others.

## **7. Supplementary Provisions**

### **7-1 Scope of the Guidelines**

These Guidelines apply to all officers and employees of the Group. They also apply to persons working for the Group under a temporary contract.

### **7-2 Submission of Pledge**

Officers and employees of the Group shall pledge to execute operations in compliance with these Guidelines. If requested by the company, they promptly submit confirmation of this in writing.

### **7-3 Amendments to or Abolishment of the Guidelines**

Amendment to or abolishment of these Guidelines shall be made by an internal request for decisions (final decision by President).

### **7-4 Point of Contact for Inquiries and Reports**

- (1) If questions emerge regarding details or interpretations of these Guidelines, the point of contact for inquiries shall be the Human Rights and Compliance Promotion Office of the Legal Department.
- (2) Promptly report an act that violates or possibly violate these Guidelines, to one's immediate manager or the executive officer in charge of the matter, irrespective of whether one discovered or committed such act.
- (3) If there is a reason for being unable to report as described in above (2), or if the act is neglected without correction even after making the relevant report, use the Sekisui House Group Compliance Helpline and issue the report to the Human Rights and Compliance Promotion Office of the Legal Department.
- (4) Persons issuing a report, whistleblowers, or those who help to confirm details of reports shall not receive any disadvantageous treatment as a result of the report or their participation in issuing it.

### **7-5 Punishment**

Persons who violate these Guidelines or who do not address violations of these Guidelines shall be punished based on employment rules and other internal regulations.

**7-6 Execution**

These Guidelines shall take effect October 1, 2003.

Amendments to these Guidelines shall take effect April 1, 2006.

Amendments to these Guidelines shall take effect December 21, 2006.

Amendments to these Guidelines shall take effect October 1, 2010.

Amendments to these Guidelines shall take effect April 1, 2014.

Amendments to these Guidelines shall take effect July 1, 2015.

Amendments to these Guidelines shall take effect January 1, 2017.

Amendments to these Guidelines shall take effect October 1, 2018.

Amendments to these Guidelines shall take effect October 1, 2019.

Amendments to these Guidelines shall take effect August 1, 2023.