

Charter of Compliance

Objectives

Article 1. The Compliance Standards stipulate matters that you should observe when acting on behalf of Iwase Cosfa or as an individual affiliated with the company in the performance of your duties. The top priority of the company is to carry out its business based on these Compliance Standards.

Definition

Article 2. Compliance means abiding by relevant laws and regulations, as well as internal rules and business etiquette, and taking responsible actions in accordance with social rules. Iwase Cosfa gives the highest priority to compliance when executing business. In addition, regarding international indicators, the Group promotes the SDGs (Sustainable Development Goals) that were adopted during the UN Sustainable Development Summit of 2015, the 10 Principles of the UN Global Compact related to 4 domains (Human rights, Labour, Environment, Anti-Corruption), the ETI (Ethical Trading Initiative) Charter, and the Section 54 of the Modern Slavery Act 2015.

Target

Article 3. The Standards apply to all executives and employees of Iwase Cosfa (including contract employees, commissioned employees, seconded employees, temporary workers, and other persons engaged in the company's operations).

Charter Standards

Article 4. Iwase Cosfa's Charter standards are as follows:

1. Maintain high business ethical standards and respect human rights

- Be aware of being a member of the international community, maintain high ethical standards and act with good business sense whilst taking responsibility for your actions;
- Respect fundamental human rights and do not discriminate based on ethnicity, beliefs, gender, social status, religion, nationality, age, physical or mental disabilities, etc.
- Recognize employees' rights to organize trade unions and bargain. In addition, promote regular communication between executives and employee representatives.

2. Work environment

- Respect others mutually so that all executives and employees can fully display their abilities and build a creative, efficient, and comfortable work environment where freedom of opinion is ensured;
- Refrain from performing acts that violate public order and morals such as sexual harassment and workplace bullying;
- Strive to keep the work environment clean and safe and prevent work-related accidents. Workers should also aim to maintain their own health.

3. Comply with laws and regulations and prohibit illegal activities

- Strictly observe and comply with law and regulations;
- Do not perform any illegal acts, including premeditation;

- Do not instruct, order, instigate, or force other executives or employees to perform illegal acts;
- Do not permit or give explicit or implicit approval to other executives or employees to perform illegal acts.

4. Sales activities

- Deal sincerely, justly, and fairly with all business partners and conduct transactions under appropriate terms and conditions;
- Conduct business activities in accordance with sound business practices and social norms, as well as in compliance with laws and ordinances.

5. Avoid conflicts of interest and ensure the separation between public and private life.

- Do not use the company's resources and information for purposes other than business;
- Do not cause damage to the company or serve your own or third parties' interests by using the company's information inappropriately, whether during your service at the company or after retirement;
- Do not engage in any other occupation of a professional nature without the company's approval;
- Do not acquire shares in unlisted business partners or in entities in which Iwase Cosfa has invested or is considering investing.

6. Exchange of gifts and entertainment

- Do not provide public officials or their equivalents with money, gifts, entertainment, or other economic benefits;
- Do not make payments to agents, advisors, consultants, etc. if such payments are expected to be used for illegal approaches to public officials or their equivalents;
- Do not exchange with executives or employees of business partners money, gifts, entertainment or other economic benefits that exceed socially accepted standards. Regarding monetary standards, do not make exchanges worth more than 1000 US dollars.

7. Handling of information

- Keep the company's confidential information and customer information under strict control and do not divulge it to third parties. Do not use such information for purposes other than Iwase Cosfa's business;
- Strive to protect personal information and do not divulge it or use it for purposes other than the ones it was meant for;
- Handle confidential information disclosed by third parties in the same way as Iwase Cosfa's confidential information;
- Do not violate the intellectual property rights of others, such as copying computer software programs without permission;

- If you happen to know important facts about Iwase Cosfa or its business partners which might significantly affect investors' investment decisions, do not sell or buy shares of the company in question until the information is released in order to prevent insider trading problems;
- Do not engage in unfair competition by obtaining or using others' confidential business information inappropriately.

8. Internal controls

- In principle, meetings of the Board of Directors and the Management Council shall be held once a month. The Board of Directors shall promptly make decisions on important matters related to management, based on relevant laws and regulations and in accordance with management principles and managers' duty of care. The Management Council shall coordinate the execution of business operations, deliberate on matters related to management, and propose it to the Board of Directors;
- Minutes, *ringisho* (documents circulated for approval by all meeting members), forms and other key documents for important meetings such as the General Meeting of Shareholders and the Board of Directors shall be stored and managed appropriately in order to allow direct and immediate consultation.

9. Company's funds and accounting

- Manage the company's funds and assets appropriately and use them only for legitimate business purposes. Do not hold off-the-book funds and assets;
- Keep the accounting of funds and assets accurate at all times and report it appropriately in time. Do not make false or misleading book entries;
- Implement internal control systems for sales and accounting and correct them continuously as required in order to ensure appropriate accounting and to maintain the reliability of financial and accounting reports.

10. Political donations

- Comply with the Japanese Political Funds Control Act of 1948 and other related laws and regulations and apply a formal method when making political contributions and donating funds to associations or other organizations.

11. Contribution to society

- Strive to maintain harmony with local communities as well as communities inside and outside Japan, build friendly relationships with stakeholders, and contribute actively to building an affluent and enjoyable community both in Japan and around the world.

12. Environmental protection

- Comply with laws and regulations regarding environmental protection and actively engage in environmental protection through activities aimed at maintaining ISO14001 certification.
- Make efforts to realize sourcing based on the NDPE (No Deforestation, No Peat, No Exploitation) principles.

13. Response to antisocial forces

- Do not seek out easy monetary solutions if you receive unreasonable demands from antisocial forces;
- Do not conduct any transactions with antisocial forces and business partners associated with such forces.

14. Elimination of forced and child labor

- Comply with international standards and treaties advocated by the United Nations and the International Labor Organization (ILO), as well as the Japanese Labor Standards Act of 1947. All forms of forced labor and child labor being harmful, dangerous and hindering the sound development of children, business partners shall not be allowed to engage in such practices. Do not purchase raw materials and products produced by such labor.

15. Reporting and disciplinary measures

- If you discover that an executive or employee performed or is suspected of performing an act that violated any of the Compliance Standards, you must report to or consult the Secretariat of the Compliance Committee (Compliance Promotion Office) or the internal or external section of the Compliance Counter;
- Executives and employees must fully cooperate in investigations into such violations.

Education and guidance

Article 5. The Company, executives as well as other positions shall be responsible for observing the Code, provide appropriate training for employees to comply with the Code, and provide guidance and supervision.

Actions regarding violation

Article 6. If an investigation reveals a violation has been committed by an executive or an employee, the offender as well as the supervisor may be subject to disciplinary measures in accordance with the employment rules of the company. The company and the management shall not unfairly treat executives and employees who have reported any violations, as well as executives and employees who have cooperated with the initial internal investigation. In addition, reporting parties must not subject themselves to such unfair treatment.

Revision

Article 7. The revision of this Charter will be drafted by the Compliance Promotion Office and will be implemented by resolution of the Board of Directors after consultation of the Compliance Committee.

Additional clause

This Charter was implemented on October 1, 2019

This Charter was last revised on January 1, 2024