

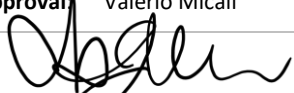




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#### Review Notes

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## 1. Purpose

All information that is created or used by Daikin Applied (UK) Ltd (hereinafter "DAPUK" or the "Company") is to be safeguarded and shall be protected from the time of its creation and during its use, until its destruction. Therefore, the purpose of this document is to provide guidance on the management of the information available within DAPUK, in order to ensure: (i) confidentiality: the information must be known only to those who have appropriate authorisations; (ii) integrity: the information must be editable only by those who have authorisations; (iii) availability: the information must be accessible and usable when requested by the processes and users who have the related authorisations.

## 2. Status

This procedure does not give contractual rights to individual employees. The company reserves the right to alter any of its terms at any time although we will notify you in writing of any changes.

## 3. Eligibility

This procedure applies to all employees, workers, and contractors, however the procedure set out below does not apply if you are no longer working for us.

## 4. References

MESSAGE OF MR TOGAWA, DAIKIN INDUSTRIES LTD CEO AND PRESIDENT

### **Raising Corporate Ethics and Compliance a Step Higher**

*Since the establishment of the Daikin Group, we have made the corporate principles of "Absolute Credibility," "Enterprising Management," and "Harmonious Personal Relations" our bedrock and Our Group Philosophy and People-Centered Management our touchstones. These beliefs aim to earn the trust of customers worldwide and create a corporate group in which employees in both Japan and overseas can work with pride.*

*In 2003, we drafted Handbook for Corporate Ethics to further improve and thoroughly implement corporate ethics. Here we clarified what type of action each one of us should take as an employee of the Daikin Group and established a code of conduct for corporate ethics and compliance. Acting based on this code of conduct is one embodiment of our Group management philosophy and has also been the basis for further development of the Group. The results of each person's efforts have generated the current high trust and expectations from various stakeholders including customers, shareholders, suppliers, and regional companies.*

*However, a series of scandals have recently occurred at corporate groups that had served as models of excellence for many companies, and this has caused society to take a stricter view of companies. There are various phenomena and causes, including the falsification of data that circumvents the intended organization of accounting operations as well as regulations and standards. Consequently, we must clearly understand the inherent risks for companies and constantly scrutinize ourselves from a perspective of unadorned honesty as we work to strengthen our self-corrective function.*

*Eight years have elapsed since the Second Edition (2008). For the Third Edition, we reflected upon the Group Conduct Guidelines that applies to the global Group and revised it from a perspective that includes the environmental initiatives and social contribution required of a global company, measures corresponding to new laws and regulations, significant risks confronting the Daikin Group, and the fallout of scandals that are commonly occurring in the world.*

*Furthermore, in addition to our existing helpline inside the company, we have newly established an external helpline outside the company to further improve our self-corrective function and readily provide employees with opportunities to consult on questions relating to corporate ethics and compliance.*

*In valuing the potential of people and autonomy, Daikin has achieved growth and development with management that believes in the inherent goodness of people based on a spirit of openness and trust in our colleagues. We will work to nurture a "Culture That Rejects Wrongdoing" and enhance a "Structure That Prevents Wrongdoing from Occurring."*

*With the growth of its global business, Daikin has extended business to 145 countries as of the past financial year. Not only must we respect the customs and observe the laws and regulations of all of the countries where we do business, we must also act based on high ethics. For this reason, I strongly call upon each and every person to fully understand this Group Conduct Guidelines and always maintain a high sense of ethics in your daily work.*

Masanori Togawa  
President and CEO  
November 2016

#### 4. References /continued

##### ***Daikin Group Philosophy***

*In all our business dealings we should keep in mind the Daikin Group Philosophy which is:*

1. *Create New Value by Anticipating the Future Needs of Customers*
2. *Contribute to Society with World-Leading Technologies*
3. *Realize Future Dreams by Maximizing Corporate Value*
4. *Think and Act Globally*
5. *Be a Flexible and Dynamic Group*
  - 1) *Flexible Group Harmony*
  - 2) *Build Friendly yet Competitive Relations with Our Business Partners to Achieve Mutual Benefit*
6. *Be a Company that Leads in Applying Environmentally Friendly Practices*
7. *With Our Relationship with Society in Mind, Take Action and Earn Society's Trust*
  - 1) *Be Open, Fair, and Known to Society*
  - 2) *Make Contributions that Are Unique to Daikin to Local Communities*
8. *The Pride and Enthusiasm of Each Employee Are the Driving Forces of Our Group*
  - 1) *The Cumulative Growth of All Group Members Serves as the Foundation for the Group's Development*
  - 2) *Pride and Loyalty*
  - 3) *Passion and Perseverance*
9. *Be Recognized Worldwide by Optimally Managing the Organization and its Human Resources, under Our Fast & Flat Management System*
  - 1) *Participate, Understand, and Act*
  - 2) *Offer Increased Opportunities to Those who Take on Challenges*
  - 3) *Demonstrate Our Strength as a Team Composed of Diverse Professionals*
10. *An Atmosphere of Freedom, Boldness, and "Best Practice, Our Way"*

*We must execute this Philosophy tirelessly but never compromise our ethical standards.*

***A copy of the Daikin Group Philosophy can be found on the Company Intranet***

##### ***Daikin Applied Values and Objectives***

*Daikin Applied (UK) Ltd will take all reasonable steps to provide a work environment in which all employees are treated with respect and dignity and that is free of harassment based upon an employee's race, colour, ethnic origin, nationality, national origin, religion or belief, sex, sexual orientation, marital status, age or disability. The Company will not condone any form of harassment, whether engaged in by employees or by outside third parties who do business with the Company.*

The Company recognises the harmful effects of harassment and bullying which can include anxiety, distress, reduced job satisfaction and productivity, sickness absence, poor working relationships, high staff turnover, and is committed to implementing policies and procedures to:

- prevent bullying and harassment at work
- handle complaints seriously, fairly and confidentially
- ensure complainants do not suffer further detrimental treatment which could be considered to be bullying or harassment as a result of raising concerns.

#### 4. References /continued

##### ***Message from Managing Director***

To all employees of Daikin Applied (UK) Ltd and Daikin Applied Service

The business has reviewed its Code of Conduct/Ethics effective from the 1<sup>st</sup> October 2024; a copy can be found on the company intranet, business system, notice boards or from HR.

##### **Policy brief & purpose**

Our professional code of conduct/ethics policy aims to give all our employees guidelines on our business standards, ethical approach, and stance on various controversial matters. We trust you to use your better judgment, but we want to provide you with a concrete guide you can fall back on if you're unsure about how you should act (e.g. in cases of conflict of interest). We will also use this policy to outline the consequences of violating our guidelines.

##### **Scope**

The policy applies to everyone we employ or have business relations with. This includes individual people such as employees, interns, volunteers, but also business entities, such as vendors, enterprise customers or venture capital companies.

##### **What is meant by code of professional ethics?**

First, let's define professional ethics: they are a set of principles that guide the behaviour of people in a business context. They are essential to maintaining the legality of business and a healthy workplace.

##### **What is the purpose of a professional code of ethics?**

Having our business conduct and ethics in writing doesn't mean that we don't trust our employees. We strive to hire ethical people who have their own personal standards, so we expect that a written code won't be necessary most of the time.

However, it can still be helpful; you may find yourself in a situation where you're not sure how you should act, life is full of grey areas where right and wrong aren't so apparent. Some professional ethics also correspond to laws that you absolutely must know to do your job properly, so we will mention them in our policy.

We base our business code of conduct/ethics on common principles that include:

- ✓ **Respect for others** - Treat people as you want to be treated
- ✓ **Integrity and honesty** - Tell the truth and avoid any wrongdoing to the best of your ability
- ✓ **Justice** - Make sure your objectives are fair and don't disadvantage others
- ✓ **Lawfulness** - Know and follow the law - always
- ✓ **Competence and accountability** - Work hard and be responsible for your work
- ✓ **Teamwork** - Collaborate and ask for help

Such policies are required by law, and we hope that you understand their intent and nature, please discuss any aspects you do not understand with your Manager, HR or a Senior Manager ensure you abide by our policy.



**Valerio Micali**  
Managing Director

## 1. References /continued

### ***What is the Code of Conduct / Ethics?***

The Code of Conduct / Ethics defines the series of ethical principles and values that Daikin Applied (UK) Ltd also in accordance with the **Daikin Group Principle Guidelines** applies when carrying out its business, and indicates the rules of conduct that all those working for or co-operating with the Company are required to comply with to maintain the image and reputation that the Company has gained and consolidated over the years, both at national and international level.

Consequently, to develop skills and professional growth, increase Company value and preserve its market competitiveness, Daikin Applied (UK) Ltd requires its employees, suppliers and all those that have close commercial relations with the Company, to share and respect the provisions contained in this Code.

Daikin Applied (UK) Ltd advise that the Code of Conduct/Ethics is an official document approved by the Senior Management Team, and its contents are the prerequisite for the Organisation and Management Model adopted by the Company and DAE. Any modifications to the Code of Conduct/Ethics shall be approved by the Senior Management Team of Daikin Applied UK.

### ***Recipients and field of application***

The Code of Conduct/Ethics applies in the UK and, with the necessary adaptations, in all those Countries in which Daikin Applied (UK) Ltd operates.

The directors, managers, auditors, employees and, more generally speaking, all staff of Daikin Applied (UK) Ltd, whatever the type of contractual relationship they may have with the Company, are required to comply with the provisions contained herein. The provisions of the Code are likewise binding for associates, external consultants and third parties with whom the Company does business based on contractual agreements.

### ***Distribution and implementation***

Daikin Applied (UK) Ltd constantly promotes and encourages knowledge of the Code of Conduct/Ethics, the related protocols, and the relative updates, and agrees to distribute this Code to all recipients by means of internal correspondence, training activities and publication on the corporate website, likewise making available all those tools that may be of use to ensure proper interpretation thereof. When setting up new working or co-operation relationships, Daikin Applied (UK) Ltd will provide the information necessary for adequate knowledge of the Code of Conduct/Ethics and the protocols in a timely manner, with reference to those relating to the specific tasks in question.

Daikin Applied (UK) Ltd provides for its directors, managers, employees, and associates of whatever nature and at whatever level specific guidance, eLearning, training courses and related documentation/updates, held by the Management responsible on the Code of Conduct/Ethics. Company staff may, at any time, ask their supervisors, managers or HR for advice and clarification regarding the contents of the Code of Conduct/Ethics and the protocols and on the positions assigned.

Internal staff are required to implement the provisions set down in this policy, as these rules integrate those deriving from current regulations, from collective bargaining agreements and from internal policies & procedures. Compliance with the provisions of this Code of Conduct/Ethics must be considered an integral part of the contractual obligations taken on by employees. Failure to comply will be considered a serious failure to fulfil contractual obligations.

Consultants, suppliers, commercial partners are required to observe the rules of conduct set out in the Code of Conduct/Ethics based on contractual agreements that envisage adequate sanctions and, in the event of serious violations, the insertion of express termination clauses.

#### 4. References /continued

##### ***What is the Code of Conduct / Ethics?***

##### ***Control on Compliance and Responsibility of the Code of Conduct/Ethics***

The Senior Management at Daikin Applied UK Ltd are responsible for all compliance within the company which includes but is not limited to our Code of Conduct/Ethics policy, IT Security, Equality etc.

##### ***Responsibility expectations for all levels***

| <b>Position</b>                                   | <b>Responsibilities, Accountability and Expectations</b>  |
|---|---|
| <b>Managing Director</b>                          | Review and set policies, reviews, and audits. Remain up to date with compliance matters. Enforce compliance actions and act upon compliance breaches. Overall accountability for compliance within their area of responsibility, while assigning specific compliance responsibilities throughout the Organisation. Ensure all employees understand that business results are never more important than ethical conduct.   |
| <b>Board of Directors &amp; Senior Management</b> | Communicate and enforce compliance strategy, rules and initiatives. As well as create an open environment where every employee can feel comfortable raising concerns in good faith and with confidence of no retaliation. Take appropriate disciplinary action where necessary.   |
| <b>Department Heads/Managers</b>                  | Responsible for ensuring compliance is adhered to within your area of responsibility. Ensure training of staff, ensure staff are aware and understand policies and procedures and seek advice where needed and support employees in reporting potential breaches. If any employees with your department have any concerns, you must document and escalate their concerns through the appropriate channels. Communicate the importance of compliance at every appropriate opportunity. |
| <b>All Other Staff</b>                            | All employees must be aware and adhere to the company Code of Conduct/Ethics and other company policies and procedures. Understand the rules outlined in any of the company corporate policies in relation to their role. They must complete mandatory training in line with the training plans and timeframes set as well as being observant and promptly report suspected compliance breaches through the appropriate channels.   |

Unethical actions by third parties, business partners, associates and others acting for or on behalf of the company are the same as unethical actions undertaken directly by ourselves. As such we expect appropriate standards from all our third-party partners.

## 4 References /continued

### Daikin Group Core Principles

*These conduct guidelines set forth the basic premises for all Group companies as well as each and every one of their executives and employees to observe as a basic framework for compliance in the Daikin Group's global expansion of corporate ethics*

*Each company of the global Group shall draft specific criteria based on these guidelines for a code of conduct that corresponds to differences in laws and customs of each country and region and thoroughly maintains legal compliance.*

1. *Providing Safe, High-Quality Products and Services*
2. *Free Competition and Fair Trading*
3. *Observing Trade Control Laws*
4. *Respect and Protection of Intellectual Property Rights*
5. *Proper Management and Utilization of Information*
6. *Prohibition of Insider Trading*
7. *Timely and Appropriate Disclosure of Corporate Information*
8. *Preservation of the Global Environment*
9. *Ensuring the Safety of Operations*
10. *Respect for Human Rights and Diversity and Observance of Labour Laws*
11. *Protection of Company Assets*
12. *Proper Handling of Accounting Procedures*
13. *Practicing Moderation in Entertainment, Gift Exchanges, and Invitations*
14. *Maintaining a Firm Attitude against Anti-social Activities*
15. *Relationship with Society*
16. *Observing Each Category of Industry Law and Regulation*

## 5. Aims and Objectives

### General

The ethical principles and behaviour defined in this Code have primary and absolute value. Consequently, the belief that actions are in the interest or to the advantage of Daikin Applied UK does not excuse any behaviour that goes against them.

#### 1. *Providing Safe, High-Quality Products and Services*

##### **DAIKIN Group Conduct Guideline - Providing Safe, High-Quality Products and Services**

*We shall make every effort to ensure the safety and quality of our products and services from the standpoint of our customers. Should a problem occur regarding safety, we shall immediately take appropriate action.*

Daikin Applied UK strives to ensure that all of our products will meet or exceed the laws relating to safety and performance in the country in which they are used. We will only provide product certification that is genuine and in line with established industry standards, testing and designation. If there are any problems with the safety of the products, appropriate and immediate measures will be taken.

It is our responsibility to be aware of the quality and safety standards for the jurisdiction in which products will be supplied. Never provide certification or documentation for a product that has been falsified or tampered with in any way. Never claim a product meets a quality or safety standard where this is untrue or unproven



## 2. Aims and Objectives /continued

**Remember** - never supply a product that is inappropriate for its intended use, and we cannot pass responsibility for product and safety to third parties. Our approach to product safety and quality must be the same whether we manufacture ourselves or source from a third party.

### 2. Free competition and fair trading

#### **DAIKIN Group Conduct Guideline - Free Competition and Fair Trading**

*We shall observe all applicable laws and regulations relating to fair competition and fair trade of each country and region, including antimonopoly laws. Furthermore, we shall conduct fair sales and procurement activities based on proper corporate ethics and in accordance with sound business practices and social norms.*

Daikin Applied UK will comply with all applicable competition laws and regulations and act in an ethical manner at all times. We will never collude with other companies or enter into agreements with competitors regarding prices or market sharing or act in any way which could be contrary to the spirit of competition laws.

It is our responsibility not to enter, or propose to enter, into any agreement or understanding with any competitor or other party that would be contrary to the principles of open competition, including agreements on pricing, bid/no bid decisions and terms and conditions.

Never attend a meeting or have forms of contact with competitors that could create the appearance of improper agreements or understandings. Actively and conspicuously disassociate yourself from any situation in which improper agreements or information sharing is raised and promptly inform your legal counsel.

Never provide, receive or exchange the following types of information with competitors - prices, terms and conditions, production capacities, sales capabilities or volumes, costs or profit margins, market share, suppliers, customers, product lines or sales territories.

Never agree with a competitor to fix prices or terms and conditions, divide market share, refuse to do business with third parties, limit or refuse the services provided.

**Remember** - Never enter into an agreement with competitors that affect prices, terms or conditions of sales or otherwise deprive customers of the benefits of competition.

The principle is all companies should compete vigorously but individually and fairly. The penalties for breaches are enormous. If in doubt, please speak with a member of the Senior Management Team.

### 3. Observing Trade Control Laws

#### **DAIKIN Group Conduct Guideline 3 - Observing Trade Control Laws**

*We shall not participate in any transactions that may undermine the maintenance of global peace and security and world order. We shall always act in compliance with all applicable export- and import-related laws and regulations of each country and region, as well as the Daikin Group Security Trade Control Policy, which relates to foreign trade control.*

Daikin Applied UK will comply with all import/export control, economic sanction and customs laws and with the Daikin Group Security Trade Control Policy. Our employees will not do anything in connection with any international transaction or take any action in any country that would be illegal or improper in the employee's local country, the country where the transaction is taking place, the United States or Japan.

Everyone is responsible to be aware of all the latest Company policies and procedures regarding Export Controls and Economic Sanctions.

You should never do business with parties, persons or individuals found on the US Department of Treasury's "Specially Designated Nationals" list - web address:

[www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx](http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx)

## 5 Aims and Objectives /continued

You must confirm all necessary licenses or authorizations are in place before any export transactions are carried out. Do not participate in any restrictive trade practice or boycott not authorized by the US Government. Read carefully and be mindful of words in any contracts or terms and conditions of any bids or orders that could create a breach.

**Remember** - always know your customer, what you are exporting, its final destination and the end user.

Export control laws regulate cross-border transfers of goods, software and technology that may have a military or weapons use, regardless of whether that is their prime or intended purpose. They can also apply to transfers to foreign nationals in your home country.

If in doubt seek advice from the Senior Management Team.

### 4. *Respect and Protection of Intellectual Property Rights*

**DAIKIN Group Conduct Guideline - Respect and Protection of Intellectual Property Rights**

*Recognizing that intellectual property rights are important company assets; we shall strive to protect and maintain our intellectual property rights and effectively utilize them. Furthermore, we shall respect, and make every effort not to infringe upon, the intellectual property rights of other companies.*

We will take all necessary steps to protect, maintain and effectively use our intellectual property ("IP").

We respect and will avoid the unauthorised use of IP that belongs to others.

We will protect our trade secrets and proprietary information.

We must seek approval prior to distributing or sharing any proprietary information.

Ensure when developing new products or technology you are not infringing the IP of others.

Follow the Company's IP protection rules when developing new products or technologies.

IP includes patents, trade secrets, trademarks, copyrights, designs as well as other proprietary information. Proprietary information is information that is undisclosed, not publicly known or generally available, and that is held in confidence.

**Remember** - you must protect the Company's intellectual property and respect the intellectual property of others.

### 5. *Proper Management and Utilisation of Information and Personal Data*

**DAIKIN Group Conduct Guideline - Proper Management and Utilization of Information**

*We shall properly manage and effectively utilise the confidential information of our company, the confidential information obtained from other companies, and the personal information of our customers and employees, and we shall not obtain any information through improper means. We shall thoroughly execute IT security management for our computer systems and the data-resources saved on them.*

Daikin Applied UK commits to keep all personal information secure at all times and respect the privacy of individuals in accordance with all applicable privacy and information security laws (GDPR). We will protect our networks, systems, devices, and information in our possession and take extreme care with regard to the proper use, storage and transmission of data. We will use information only for legitimate business purposes and will maintain appropriate access controls.

All employees must follow all policies, procedures and laws regarding collection, storage and transmission of data and take all necessary steps to prevent unauthorized access, accidental loss, disclosure, or destruction of Daikin Applied information, including:

## 5 Aims and Objectives /continued

- Use strong passwords and don't share your passwords.
- Never leave laptops, company phones, ID cards or building access cards unattended
- Report instantly if any device containing company information has been lost or stolen or any passwords compromised or if you have caused or become aware of a data or confidentiality breach. Never discuss company business or sensitive company information in a public place
- Only use approved systems and tools for storage, transmission, and back-up of information
- Never store Company proprietary information on any storage device that has not been provided by the Company
- Be vigilant to the signs of phishing and report any suspicious activity to your local IT leader

**Remember** - always respect privacy rights and protect against risks to our information, networks and products.

Personal information is any information relating to a directly or indirectly identifiable person. Penalties for data breaches can be substantial.

## 6. Prohibition of Insider Trading

### **DAIKIN Group Conduct Guideline - Prohibition of Insider Trading**

*To maintain the trust of shareholders and investors, we shall not use non-public information about the Daikin Group or other companies to buy or sell stocks or other securities (insider trading).*

DIL is a publicly traded company, and we are strictly bound by the rules governing insider trading and the use of inside information.

Daikin Applied UK do not use or share material, non-public information in the normal course of business and Daikin Applied UK employees are prohibited from using or disclosing non-publicly available information about the Company or any other company in the Daikin Group. All employees are responsible for seeking approval from the Global Controller before sharing any non-public information with customers, suppliers, friends or the outside world.

Never buy or sell DIL securities either directly or through other parties while you are aware of inside information that could impact the price of those securities. All Daikin Applied UK management and staff are prohibited from any operation involving shares in the Company from the end of the financial year (including situations involving half-yearly or quarterly financial statements) until the financial results for the Company itself become available to the public.

Do not act as a consultant or expert outside of Daikin Applied UK on business matters within the scope of Daikin Applied UK employment.

**Remember** - Insider trading is against company policy and the law. There are severe penalties, including criminal charges associated with insider trading.

## 7. Timely and Appropriate Disclosure of Corporate Information

### **DAIKIN Group Conduct Guideline - Timely and Appropriate Disclosure of Corporate Information**

*In order to be an "open company" with high transparency and earn the respect of society, we shall actively convey corporate information in a timely fashion, not only to shareholders and investors but also to a wide spectrum of society and engage in two-way communication.*

Full and clear corporate communication is a guarantee of the correctness of relations (i) with partners, who must be able to access information easily, in compliance with current regulations; (ii) with third parties who come into contact with the company, who must be able to gain a picture of the economic, financial and asset situation of the company itself; (iii) with supervisory authorities and internal control bodies who must perform control activities effectively, to protect not only partners, but the whole market.

## 5 Aims and Objectives /continued

All Company communications feature not only strict compliance with standards and regulatory provisions, but should also be made in a comprehensible, full and timely manner. External communication of information relating to the Company must only be carried out by the Board of Directors, in compliance with the corporate procedures in force, which are aimed at guaranteeing truthfulness, reliability and proper distribution.

Specific attention is given to the distribution of communications relating to special operations put into practice by the Company, commercial initiatives, negotiations and agreements of particular significance. In this regard, specific protocols envisage verification and control elements, so that the corporate communications foreseen by law, the information aimed at partners or third parties on the corporate situation and expected economic, financial and asset evolution, are always truthful, free from omissions and present facts, albeit subject to assessment, that correspond to the truth, so that the recipients of the information are not led into error.

## 8. Preservation of the Global Environment

### **DAIKIN Group Conduct Guideline - Preservation of the Global Environment**

*We shall observe all applicable environmental laws and regulations of each country and region and practice initiatives that preserve the global environment in all aspects of our business operations, including product development, manufacturing, sales, distribution, and services. Also, each and every one of us shall deepen our knowledge of environmental issues, reduce the environmental load in the workplace and at home, and strive toward biodiversity conservation.*

Daikin Applied UK considers protection of mankind and of the environment as a priority, and consequently pursues the principle of protecting and safeguarding the environment. This is expressed and achieved through strict compliance with current environmental regulations and a commitment to promote policies of energy saving, eco-sustainable development and the reduction of pollution in general throughout all phases of corporate activity, from development to the production and sale of products and services, and in all contexts, both at work and in private.

The Company has adopted an environmental management system in compliance with BSI ISO 14001 standards, and is committed to keeping it up to date, both in order to improve its own environmental performance, and to prevent illicit actions that may cause harm to the environment and result in liability for the Company under the Environmental Protection Act 1990.

Furthermore, with the aim of total transparency, the Company is available to provide third parties with suitable and timely information regarding the measures taken to safeguard the environment.

### **Sustainable development**

Daikin Applied UK is active in promotion of sustainable and harmonious development of the company and of the environment, based on its own reference ethical principles.

The aim of the Company is to pursue a form of growth, in all areas of operation, that is in harmony with the environment. Daikin Applied UK is strongly determined to develop, establish and promote technologies that encourage the harmonious co-existence of the environment and economic development, and to set up good and lasting relations based on a spirit of co-operation with a wide number of persons and organisations involved in safeguarding the environment.

## 9. Protection of health and safety of operations in the workplace

### **DAIKIN Group Conduct Guideline - Ensuring the Safety of Operations**

*We shall take all possible precautions for safe operations and act with a mindset of "Safety First" to ensure the safety of the workplace and further gain the trust of people in the regions we serve.*

Daikin Applied UK acknowledges that the health and safety of the workplace and its employees is a priority and, as a consequence, carries out its operations in full compliance with the provisions pursuant to the **Health & Safety at Work Act 1974** as well as in compliance with the other legal standards or regulations applicable.

## 5 Aims and Objectives /continued

Daikin Applied UK will strictly comply with all environmental, health and safety (EHS) laws in all of our operations. In line with the Health & Safety at Work Act 1974.

We will adopt a safety-first principle to everything we do.

We are committed to exercising environmental obligations in our dealings with customers, employees, and communities.

We will install, maintain, and monitor environmental controls to ensure our emissions meet legal limits and our impact upon the environment is minimised.

All employees must understand and comply with all HSE policies and laws that apply to you, your place of work and your role.

Always challenge apparent unsafe or improper operations and insist on a "stop work" if necessary to address them. Be vigilant and conscientious in identifying, eliminating, or guarding against HSE hazards.

Immediately report to your manager or the HSE Manager any situation where risks exist or where standards are being ignored or flaunted. These include:

- Unsafe Company, customer, or supplier sites
- Failure to provide, or failure to wear mandated Personal Protective Equipment (PPE) Illegal or inappropriate waste disposal or emissions
- Failure to use lockout, tagout procedures or fall protection
- Missing or faulty machine guards
- Poorly maintained tools or equipment
- Failures to obtain or comply with regulatory permits
- Deviations from written work practices or risk assessments
- Co-workers that are attending the workplaces that are unfit to carry out their tasks safely

Be proactive in raising suggestions for improvements in consumption of energy, raw materials, dangerous substances, and discharge of waste product.

**Remember** - Always follow HSE laws, company procedures and rules and be vigilant in respect of environmental and safety hazards in your workplace.

The safety of our employees and anyone working on our behalf is paramount as well as the preservation of the environment.

Third parties carrying out work or services under contract on behalf of Daikin Applied UK are likewise required to respect current regulations on health and safety in the workplace.

## 10. Social responsibility

**DAIKIN Group Conduct Guideline - Respect for Human Rights and Diversity and Observance of Labour Laws**  
*We shall respect the human rights of each and every employee and shall not engage in conduct that discriminates on the basis of nationality, race, ethnicity, religion, colour of skin, age, gender, sexual orientation, or disability. Diversity in individual values is enthusiastically accepted, and we shall work to make the unique talents and abilities of each and every person the driving force of the organization. We shall also observe both the letter and spirit of all labour laws and regulations of each country and region, and under no circumstances shall we sanction the labour of underage employees, minors who do not meet the minimum legal age requirements (child labour), or labour performed under compulsion or against a person's will (forced labour).*

In developing its business activities, Daikin Applied UK bases itself on the protection and promotion of human and social rights and applies the philosophy of "respect for individuals", honouring the culture, customs, history and laws of each Country.

## 5 Aims and Objectives /continued

The Company respects and preserves the human rights of every employee and doesn't tolerate any behaviour that could discriminate on the basis of nationality, religion or belief, race, ethnicity, skin colour, age, sex, sexual orientation, or disability. Value is given to the diversity of the individual and to each individual's talent. Each country's labour laws and rules are respected.

The Company is committed to promoting activities that are philanthropic, of social interest or initiatives in favour of non-profit organisations, that strengthen the community and help to enrich society.

### ***Protection of human resources and the workplace***

Human resources are an essential element for the company's existence and for its successful competition on the market. Honesty, loyalty, skill, professionalism, seriousness, technical expertise, and dedication are therefore considered crucial conditions to achieve the Company aims, and they are the characteristics required by Daikin Applied UK from its directors, auditors, employees, and associates of various types.

Daikin Applied UK is aware of the central and decisive role played by human resources in achieving the success of every business, and dedicates great attention to management of staff, who are required to show professionalism, loyalty, honesty, and a spirit of co-operation.

### ***Selection policies***

In order to contribute to the development of business goals and ensure that these goals are pursued by all in compliance with the ethical principles and values upon which the company is based, corporate policy aims to select each employee and associate of whatever kind according to the values and characteristics mentioned above. Decisions taken in management and development of staff, together with assessments made for the purpose of hiring and promotion to roles and/or positions, are based on skills, on the ability of individuals, on the correspondence of candidate profiles to those required, all fully respecting the principles of impartiality, equal opportunities and without any discrimination regarding the private life or opinions of candidates, avoiding any kind of favouritism and facilitation.

The staff of Daikin Applied UK are hired under a proper employment contract, in compliance with current law, collective bargaining agreements and regulations in force. More specifically, Daikin Applied UK does not allow and will not tolerate the setting up of working relations - including those with external associates, suppliers, or commercial partners - in violation of current employment laws. Under no circumstance does the Company permit the labour of underage employees, minors who do not meet the minimum legal age requirements (child labour), or labour performed under compulsion or against a person's will (forced labour).

### ***Staff management***

Respecting fundamental human rights, Daikin Applied UK follows the guidance given by national and international regulations on the right to work and encourages the professional development and growth of each of its resources by respecting the personal dignity and physical and moral integrity of the individual, prohibiting any discrimination, denigration, prevarication or damage and offering equal opportunities in work, training and professional development, guaranteeing fair treatment based on individual skills and abilities.

Daikin Applied UK has remuneration plans founded on high standards of performance, fair treatment, and competitive salary opportunities, in line with individual performance. It safeguards the use of trades union and political rights. Furthermore, it provides employees with a clean, healthy, and safe environment.

Any abuse of positions of authority and co-ordination is strictly prohibited, and each resource is required to co-operate to create a working environment that responds in full to the requirements described above and to act, in relations with colleagues, in a manner based on the principles of civil coexistence and full collaboration and co-operation. Finally, Daikin Applied UK firmly combats harassment of any nature in working relations, or, more generally speaking, any behaviour that will compromise the tranquil completion of tasks assigned and is in any way damaging to the dignity of the worker. It also safeguards workers from acts of psychological violence and bullying.

Daikin Applied UK works to ensure stable employment in positions that allow employees to develop themselves personally and professionally, so that they can achieve satisfaction from reaching corporate goals, through high performance, in an atmosphere featuring competition, integrity, group work and equality.

## 5 Aims and Objectives /continued

Daikin Applied UK is committed to creating and maintaining the conditions necessary for the skills and knowledge of each individual to ensure respect for those values, following a policy based on the acknowledgement of merit and equal opportunities and providing specific programs aimed at professional improvement and the acquisition of greater skills.

Consequently, employees are required to cultivate and solicit the acquisition of new skills, abilities and knowledge, while managers and heads of function must give the greatest attention to enhancing and increasing the professional levels of those working with them, creating the conditions for development of their abilities and the achievement of their potential.

In pursuing corporate goals, management, employees and associates of various kinds must work in the awareness that ethics are an interest of primary significance for Daikin Applied UK and that, as a consequence, it will not tolerate behaviour that, while in the abstract it may aim to promote the company, are in contrast with the law, current regulations, the Organisation, Management and Control Model or this Ethics Code.

### 11. Protection of company assets and information technology resources

#### **DAIKIN Group Conduct Guideline - Protection of Company Assets**

*We shall properly manage the tangible and intangible assets of our company to protect and effectively utilise these assets.*

Employees and associates of Daikin Applied UK are required to use company assets with due diligence. Each person is considered responsible for the operation and protection of the resources assigned him/ her and must comply with the company directives and operating procedures provided. Each user of information technology resources is responsible for the safety of the systems used and for their proper use.

The assets and services, including software and applications, that the Company provides are intended to be used for company purposes. Consequently, any personal use of company assets and services must be incidental. For example, it is permitted to use a Company laptop to browse the internet during a lunchbreak, or take or a personal phone call, however it is forbidden to carry out actions that might damage the Company image or gain an illegal advantage. It is likewise prohibited to install programs or download software that is unauthorised or different from the ones provided by the Company, and to browse websites with indecent, gambling-related or illegal content.

All those who, in order to carry out their functions, have been given password-protected personal access authorisations to corporate procedures, applications or software, involving the use of powers of disposal, authorisation or merely information, are required to keep them carefully and to comply with the internal rules and recommendations regarding their proper use.

Daikin Applied employees may not use company assets for their own benefit or the benefit of others. Any use of Company property other than in legitimate, normal company business, or incidental use as outlined above, must be approved in advance. Company assets include property, equipment, consumable materials, tools, IT equipment and importantly the employee's time during working hours.

### 12. Proper Handling of Accounting and Financial Operations

#### **DAIKIN Group Conduct Guideline - Proper Handling of Accounting Procedures**

*We shall comply with all accounting standards and tax laws of each country and region as well as internal company rules in properly performing accounting procedures.*

Daikin Applied UK must keep accurate books and records and have robust systems of internal financial control at all locations. We must comply with all applicable accounting standards and apply group accounting policies to all transactions. We must never cause the company's books and records to be inaccurate, false, misleading, or materially incomplete in any way.



## 5 Aims and Objectives /continued

Our reporting will give a true and fair view of our company's assets, liabilities, financial position and profit or loss. We will comply with all Company policies and applicable laws and regulations related to the preservation of documents and records.

All employees are expected to maintain effective processes and internal controls, and maintain complete, accurate and timely records and accounts to appropriately reflect all business transactions, to protect Daikin Applied UK, physical, financial, and intellectual property assets and never engage in inappropriate transactions.

Employees should follow group accounting policies and never misclassify expense or revenue items.

Remember – we expect all employees to be honest and create accounting records that are complete, accurate and in line with group accounting policies and raise concerns regarding any actions, transactions, accounting or reporting methods that are inconsistent with accounting policies or are intentionally recorded in a misleading manner. Seek advice of your local controller or Global Controller if you become aware of a questionable transaction  
**Remember** - we expect all employees to be honest and create accounting records that are complete, accurate in line with group accounting policies.

### 13. *Protection of professional integrity, good practice and transparency in Entertainment, Gift Exchanges and Invitations*

#### **DAIKIN Group Conduct Guideline - Practicing Moderation in Entertainment, Gift Exchanges, and Invitations**

*We shall exercise moderation and perform within the acceptable range of social norms and obey the laws and regulations of each country and region in regard to entertainment, the exchange of presents, and invitations relating to the development of our global business. In particular, we shall not entertain, provide gifts of monetary value to, or extend invitations to public officials in Japan or abroad that violate the applicable laws and regulations in each respective country and region.*

Daikin Applied UK have a Anti Bribery & Corruption Policy and all employees must familiarise themselves with the policy and refer to this when necessary. Giving or receiving of excessive gifts or entertaining (or anything of value) can be classed as bribery or a conflict of interest.

In line with company policy, the exchanging of modest gifts, meals or entertaining is not prohibited providing in all cases they are of nominal value, appropriate to the circumstances and in compliance with the company policy.

Before giving or accepting a gift or hospitality please refer to our Anti Bribery and Corruption policy to check the limits which are acceptable. Only offer gifts or provide entertaining which are modest in nature, fitting with the circumstances and never as an attempt to influence Independence.

Always seek prior approval from your manager before offering gifts or hospitality of any kind to government officials. Always record provision of any gifts appropriately by completing a Gift and Hospitality Form so this can be logged on the Corporate Hospitality & Gifts Register and the Company's books and record keeping systems.

**Remember** - Never give or accept a gift or hospitality which is of sufficient value that it could be seen as an attempt to improperly influence you or your customer or supplier.

#### **Conflict of Interest**

All Daikin Applied UK employees have a duty to ensure nothing can interfere or appear to interfere with their ability to make all decisions in the best interest of the Company. No activity undertaken should harm the reputation of the Company.

Everyone has a duty to disclose what is, or could appear to be, a conflict of interest. Failure to promptly disclose is **ALWAYS** a violation.



## 5 Aims and Objectives /continued

We expect all employees to avoid any activity or situation that might interfere, or have the appearance of interfering, with your responsibility to act solely in the best interests of the Company. Employees must obtain prior approval before hiring, promoting or directly supervising a family member or close friend.

If you form a personal relationship with somebody at work that might lead to a conflict of interest declare this to your

Obtain prior approval before accepting a position with an outside business while continuing your employment with Daikin Applied UK. In certain cases, this may be acceptable providing it does not compromise or impede your obligations to Daikin Applied UK.

Avoid financial interest, (directly or indirectly) in a competitor, customer, or supplier. If you have such interest, you must declare it.

Do not engage or have interest in commercial activity with the Company other than programs which are offered to all employees or where prior approval has been granted by the Senior Management Team.

Disclosing potential conflicts of interest allows the Company to mitigate risks which may influence your business decisions. Having a conflict of interest is not necessarily a violation of policy; but failure to disclose is. Anything that presents a conflict of interest for an employee will also probably present a conflict if it is related to a family member or close friend.

**Remember** - Business decisions or dealings must always be based upon what is in the best interest of Daikin Applied UK, never what is best for you personally.

## 14. Obligations to combat money-laundering and criminal activities in commercial relations

### **DAIKIN Group Conduct Guideline - Maintaining a Firm Attitude against Anti-social Activities**

*We shall take a firm attitude against anti-social forces and organisations that threaten the safety and order of citizens.*

Daikin Applied UK will conduct business only with customers involved in legitimate business activities with funds derived from legitimate sources.

We will comply with all applicable anti-money laundering, corruption and terrorist financing laws and regulations. We acknowledge risks associated with third party and business party relationships and take steps to mitigate these risks, for example performing checks prior to engaging third parties and watchlist screening.

Daikin Applied UK employees must understand documentation about prospective customers and utilize standard company questionnaires and checklists when engaging third parties. Follow rules concerning acceptable forms of payment and learn the types of payment associated with money laundering.

Be vigilant and immediately escalate any signs of potential money laundering or other illegal activity. Red flags include:

- Unusually complex deal structures
- Offers to pay in cash or overpayments, followed by requests for refunds
- Unusual fund transfers to or from countries unrelated to the transaction
- Attempts by a customer to provide false information to open an account
- Reluctance by a customer to provide specific details on the actual job site or the final destination of goods

**Remember** - Unusual transactions can indicate illegal money laundering activities. Always know your customer and escalate any concerns.

## 5 Aims and Objectives /continued

### 15. Fairness, Honesty and Good Faith

**DAIKIN Group Conduct Guideline - Relationship with Society**

*We aim to be a good corporate citizen that is trusted by society, and we shall do our best to act with humility and modesty while at the same time having self-awareness and taking pride in our actions. Moreover, we shall participate in social contribution activities centered on environmental conservation, education support, and cooperation with the local community.*

Daikin Applied UK and its employees co-operate in a mutually fair, trusting and honest relationship and take a firm attitude against anti-social forces and organizations that threaten the safety and order of citizens.

Consequently, it is expressly forbidden for all employees, to carry out activities that are against the interests of the Company or incompatible with that employee's official duties.

All the working activities of those operating on behalf of Daikin Applied UK must be carried out with honesty and professional commitment, strict morals and proper management, also in order to protect the image of the company and of Daikin Applied UK. Each employee operates as a good corporate citizen that is trusted by society, acting with humility and modesty while at the same time having self-awareness and taking pride in their actions.

The Company's behaviour is inspired by good actions and to participate in social contribution activities focused on environmental conservation, education support and cooperation with the local community.

All employees of Daikin Applied UK should ensure courteous, efficient and impartial service to all within the community. Antagonistic or aggressive behaviour is not acceptable. If you work with customers who behave aggressively report this to your manager and/or HR.

**Customers and Suppliers**

Daikin Applied UK treats its customers and suppliers fairly. We expect the same standards of them as we expect from our employees.

Our reputation and the loyalty of our customers depends upon the quality and value of our products and the service we deliver. The integrity of our dealings with customers and suppliers is therefore critical to the long-term success of Daikin Applied UK.

We expect our suppliers, contractors and agents to adhere to this Code or adopt similar ethical standards.

**Competitors**

All Daikin Applied UK employees must comply with all competition and anti-trust rules in the countries in which they operate.

### 16 Compliance with current laws and regulations

**DAIKIN Group Conduct Guideline - Observing Each Category of Industry Law and Regulation**

*We shall accurately interpret and observe all applicable laws and regulations of each country and region in which our businesses participate.*

Daikin Applied UK's businesses, employees, and others to whom this Code applies must observe both the spirit and letter of the laws and regulations.

- The laws and regulations that apply to Daikin Applied UK's business are numerous and often complex
- If you have any doubt whether your conduct - or the conduct of a colleague or your department - complies with the law, guidance should be sought from your manager, HR or a member of the Senior Management Team
- You should immediately bring to your manager's attention any request that you think may be illegal or in violation of this Code. It is Daikin Applied UK's policy that employees who raise such concerns in good faith shall not suffer from any form of retaliation.

## 6. Definition of Breach

### Reporting Potential Breaches

If you believe you are faced with a potential ethical issue or become unsure of the same by others, you must take action.

Below are some questions you need to ask yourself:

Do you have enough information or understanding to make a decision?

What is the nature of your concern?

Is the proposed or actual action by you or others in line with Company policies, Code of Conduct/Ethics, this Guide and the Law?

Have I consulted the Code of Conduct and this Guide and does this provide guidance?

What things may be influencing your concerns and thoughts (e.g. I know it's wrong, personal views, peer pressure, personal benefit, personal motivations of you or others)

Can you defend or would you be happy to take responsibility for the action, would you be happy for it to be shared publicly, does it meet our ethical standards?

Take the correct decision while considering our standards, policies and the laws. The correct decision can be to proceed (or not), to consult or to report.

**Note:** The situation you are facing will determine whether clarification or action is required. Not all situations are the same. Use your judgement, but if in doubt, always ask.

In many situations, questions related to ethics or compliance are perfectly normal and are not a question of someone knowingly acting inappropriately. These situations can almost always be resolved by simply seeking advice through the correct channel. Where a situation does appear to involve someone intentionally acting inappropriately, you should report your concerns with the absolute confidence of non-retaliation or victimisation. In most cases, you should approach your Manager first with questions or concerns about business conduct. If they cannot help, they may direct you towards HR or a member of the Senior Management Team for the subject matter concerned.

If you don't feel comfortable discussing a situation with your manager, you should consider talking to other people in your business such as the HR Manager, Financial Controller or Managing Director directly.

Note: while we insist on employees reporting issues in good faith, maliciously reporting fabricated ethics breaches is itself a breach of ethics policy and will be subject to disciplinary action.

### Breach of the Codes of Conduct

Everyone is expected to be aware of the Codes of Conduct particularly those applicable to them and adhere to the principles of good practice and other relevant policies and procedures, guidelines, standards and codes of conduct set out by Daikin Applied UK in their approach to working with everyone. Failure to comply with the Codes of Conduct/Ethics will be investigated and necessary action taken through the company disciplinary procedures. Additionally, breach of the Codes of Conduct could result in your employment being suspended or terminated at any time.

Violation of the Code of Ethics provisions by agents, suppliers, external associates and consultants will, on the other hand, be sanctioned in compliance with the contents of the relevant professional or contractual agreements and may lead to termination of any agreements/contracts.

**Acceptance & Sign Off**

The Company will take a conduct very seriously and we expect employees to do the same, so please familiarise yourself with the 16 corporate principles.

Completing the e-Learning course in Kallidus and reading the company policy thoroughly to make yourselves aware of the rules and pitfalls when it comes to bribery & corruption.

The policy makes up an additional lesson within the eLearning course and once completed you are agreeing to following and abide by the rules within the Code of Conduct/Ethics Policy - HR-024 - Date: 01/11/2024 - Rev: 03.