

GOSHI

Goshi Giken
Corporate Social
Responsibility
Guidelines

January 24th, 2017

GOSHI GIKEN CO., LTD.

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I. Introduction

In recent years, progress towards economic globalization, expansion of free trade, and advances in IT have led us to an age without borders where business happens on a global scale. As a result, companies find themselves in an ever more diverse environment.

Companies are now expected to fulfill their corporate social responsibilities (CSR) by actively involving themselves in the societal issues facing the world, such as global warming, and working to create a better, more sustainable society.

Another result of expanding a business globally is that stakeholders¹ become multinational and more diverse, creating a need for CSR projects that take into consideration the histories and cultures of various countries.

Based on our fundamental philosophy, we here at Goshi strive to fulfill our social responsibilities in a variety of fields, including the environment and safety.

With the increased expectations society is placing in CSR, we believe it is imperative that we work together with the understanding and cooperation of our employees, group companies, and even our customers regarding the Goshi stance on CSR so that we can work together towards the future. With this in mind, we created these CSR Guidelines.

With these Guidelines, we hope that our employees, group companies, and customers will share our CSR vision, and through active development of CSR activities, we will work to grow and become a company that exists in harmony with the world.

Representative Director & President

Goshi Giken Co., Ltd.

¹ Interested parties, including customers, sales companies, clients, employees, stockholders, local areas, etc.

II. Goshi's Fundamental Philosophy and CSR

Goshi's Fundamental Philosophy consists of the Company Policy and the Basic Policy, and it forms the foundation for the corporate activities of all group companies. We believe this spirit should be applied not merely to the employees that make up our group of companies, but also to the relationships between the companies and people we work with.

We at Goshi hope that by making these values our foundation, society can rely on us and we can fulfill our corporate responsibilities to the rest the world.

Goshi's Fundamental Philosophy

Company Policy

To meet the needs of our customers
by producing excellent, modern products.

Basic Policy

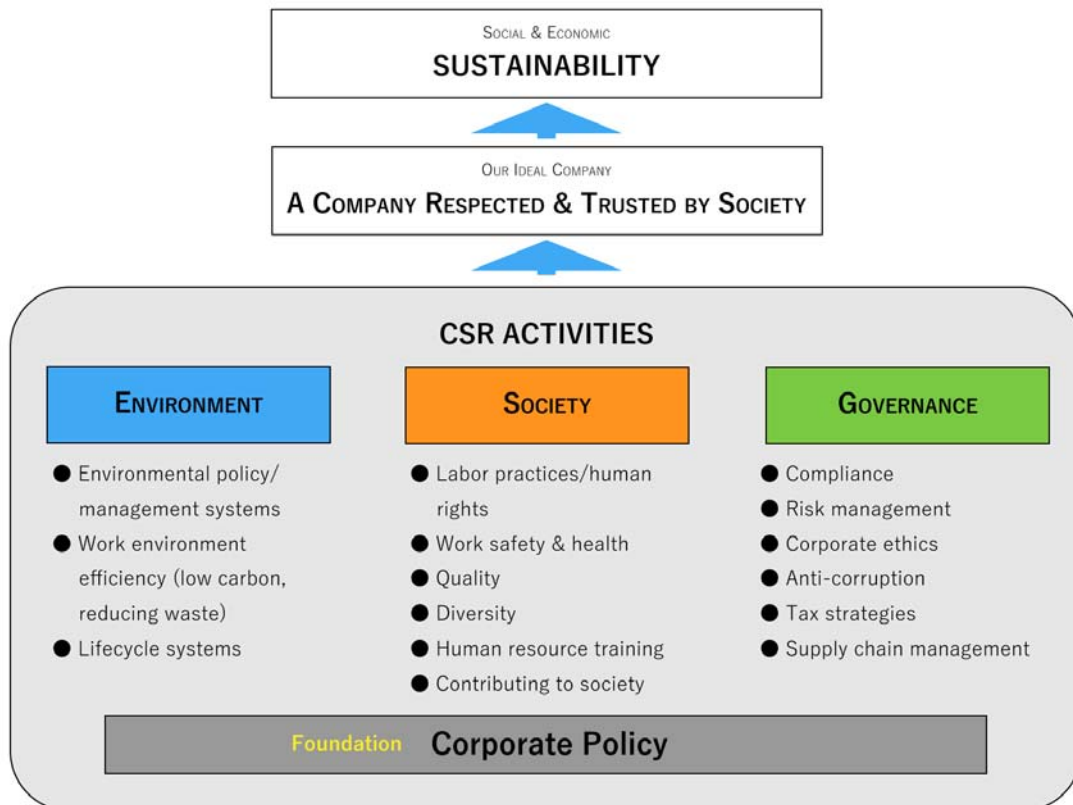
1. To create a workplace that respects people and is a happy place to work
2. To strive to be an active business that is youthful and has ambition
3. To value time and theory, and pursue unique technologies
4. To pursue quality and value through constant ingenuity
5. To contribute to society through the actions of the company

Goshi's Stance Toward CSR

Goshi defines Corporate Social Responsibility as existing in harmony with society by responding to the expectations of society based on global policies and goals in order to share in the happiness of everyone. Since our founding, we have always been active in fulfilling our social responsibilities in a variety of fields.

Goshi bases its CSR activities on the previously mentioned Fundamental Philosophy and works on the three pillars of Environment, Society, and Governance. We aim to be a company that society can trust and look up to, something becoming increasingly more common in the 21st century.

We also strive to fulfill our obligations to the stakeholders involved in many ways in our corporate activities, and to achieve shared happiness with society.



- Our stances towards each category of stakeholder

Customers

We put all of our effort into providing high quality products and services to share happiness around the world.

Partners

We work to build partnerships based on human respect, independence, equality, and trust, to happily create together high-quality products that customers will happily buy.

Employees

Out of the main rules of respect, fairness, and mutual trust that are based on human respect, independence, equality, and trust, we expect high ambition to challenge oneself so that each and every one of our employees can share happiness with our customers and society.

Stockholders & Investors

We strive to maintain a high level of trust through thorough and appropriately timed reports on company information to keep solid communication with our stockholders and investors.

Local Residents & Society

We of course strive to cause no trouble for those around us or society at large, and through our corporate activities, we do our best to be a company that brings joy to local residents and society as a whole.

III. CSR Guidelines Overview

These Guidelines are a collection of shared information related to CSR that we use to help promote awareness of CSR among all of our stakeholders in pursuit of our being a company that society can trust and look up to.

*These Guidelines are based on Honda's Supplier CSR Guidelines with Goshi's fundamental policies, etc., woven in.

Goshi's Fundamental Stances on Common CSR Policies

1. Quality & Safety

We aim to satisfy each and every one of our customers and, to gain their trust, we hope to overcome any obstacles and achieve output of quality product 100% of the time. We strive at all process steps – development, production, and sales – to deliver high quality products.

2. Consideration for Human Rights & Labor

Out of the ideas in Goshi's fundamental policy, we respect the opinions and rights of all those involved, from employees to partners, and handle everything fairly.

3. Consideration for the Environment

Based on the important corporate policy pillar of Environmental Preservation, we aim to decrease our environmental burden in product development, production, and disposal with recycling. In order to perform this effectively, we work both to decrease amounts of substances that put a strain on the environment, and purchase products that are eco-friendly.

All of our corporate activities also aim to preserve biodiversity.

4. Fair Dealings & Ethics

In order to be a company with a high respect for the law, we sincerely, as a member of society, follow the letter of the law, and strive to act in ethical ways that align with socially accepted common sense.

5. Disclosure

In order to improve sympathy and trust from society, we strive to increase our transparency through speedy and adequate disclosure of information.

6. Harmony with Locals & Society

We are involved in social activities so that we can continue being a company that brings happiness to locals and society at large through our corporate activities.

Specific CSR Promotion Activities

1. Safety & Quality

(a) Providing products and services that satisfy customer needs

We understand the needs of our customers to develop and provide societally useful products.

(b) Providing appropriate information on products and services

We provide customers with appropriate information regarding products and services.

(c) Ensuring safety of products and services

We manufacture and provide products and services that satisfy the safety regulations, etc., established in each country and region.

(d) Ensuring quality of products and services

We have built and operate a company-wide system to ensure quality.

2. Human Rights & Labor

(a) No discrimination

We do not use race, nationality, religion, sex, etc., as a reason for discrimination in the workplace.

(b) Respecting human rights

We accept no harassment in any form in the workplace based on race, nationality, religion, sex, etc. We also do not illegally obtain proof of employee identity for use against the will of the employee.

(c) Prohibition of child labor

We do not permit labor by children who do not meet the minimum work age stipulated in national or local regulations.

(d) Prohibition of forced labor

All labor is voluntary. We guarantee that employees are free to quit their job and are not forced to work.

(e) Wages

We respect national and local regulations regarding minimum wage, overtime, payroll deduction, piece wages, and other wage-related laws.

(f) Work time

We respect national and local regulations regarding decisions on employee work time (including overtime), as well as days off and allotment of paid holidays.

(g) Conversations and discussions with employees

We hold sincere discussions and speak with either employee representatives or the employees themselves. Employees have the right to organize or not organize freely, as established in national and local regulations.

(h) Safe and healthy working environment

We place the highest priority on ensuring a safe and healthy workplace for our employees, and strive to prevent accidents and disasters.

(i) Handling of conflict minerals*

We perform supply chain investigations regarding the use of conflict minerals, and if we determine the presence of suspicious minerals, we take care to avoid their use.

*Minerals regions from the Democratic Republic of the Congo and surrounding countries that fund armed insurgents or are related to human rights infringements in conflict areas.

3. Environment

(a) Environmental management

In order to promote a wide range of environmental activities, we have built a company-wide management system that obeys national and local regulations, and we continuously operate and improve this system.

(b) Reducing greenhouse gas emissions

In order to contribute to preventing global warming, we control emissions of greenhouse gasses in our activities and promote reduction. We are also involved in the effective use of energy.

(c) Preventing air, water, soil, etc., pollution

Along with respecting national and local regulations regarding prevention of air, water, soil, etc., pollution, we prevent environmental pollution by performing continuous monitoring and reducing pollutants.

(d) Resource conservation and waste reduction

Along with respecting national and local regulations regarding recycling and proper disposal of waste, we involve ourselves in reducing final waste disposal volume through efficient use of resources.

(e) Chemical management

We perform safe management of chemicals that could potentially pollute the environment. Our products do not contain any chemicals prohibited nationally or locally in the products provided in the respective region. During production, we also do not use prohibited chemicals, and we keep track of waste amounts and report them to the government in accordance with the law for chemicals designated in national or local regulations.

4. Compliance

(a) Obeying laws

We obey national and local laws. For thorough compliance, we have prepared and implemented systems for policy, organization, guidelines, information dissemination, education, etc.

(b) Obeying competition laws

We obey national and local competition laws. We do not perform actions such as implementing monopolies, unfair trade restrictions (cartels, bid rigging, etc.), unfair business dealings, abuse of dominant bargaining position, etc.

(c) Preventing corruption

We perform political donations, contributions, etc., in accordance with national and local regulations, and we strive to create a transparent and fair relationship with government and administration.

(d) Management and protection of confidential information

We obtain personal information of customers, third parties, and our own employees, as well as confidential information of customers and third parties through legitimate means, and we carefully manage this information, use it in appropriate scope, and protect it.

(e) Export business management

When exporting technologies, items, etc., regulated by national or local law, we do so through appropriate export procedures and management.

(f) Protection of intellectual property

While protecting intellectual property rights retained by or assigned to our company, we do not allow unlawful obtainment, use, or infringement of intellectual property by third parties.

5. Disclosure

(a) Disclosure of information to stakeholders

While suitably and appropriately disclosing information on financial conditions, performance, business activity details, etc., we strive to maintain and improve the mutual understanding and trust with our stakeholders through open and fair communication.

IV. Publisher and Contact Info

For inquiries regarding these Guidelines, please contact the following:

Published by:

Management Committee,
Goshi Giken Co., Ltd.

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Goshi Giken Co., Ltd.
Tel: 096-248-2431

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