

# Respect for Human Rights and Responsible Conduct in the Value Chain

## Human Rights

### Approach to Human Rights

We believe that consideration for human rights is an important management issue in the context of further global business development. At ULVAC, we respect human rights in every aspect of business activities and are promoting initiatives in accordance with international guidelines and norms. ULVAC has established the Corporate Code of Conduct as guidelines for all officers and employees to keep in mind so as to ensure their work does not infringe human rights. In response to recent changes in awareness and issues regarding human rights in the international community, ULVAC has formulated the ULVAC Human Rights Policy based on international norms and will strengthen initiatives in accordance with those norms. This policy is the most authoritative statement of the regulations governing the ULVAC Group companies concerning human rights and it applies to all officers and employees of all Group companies. In addition, we strive to ensure that this policy is endorsed and put into practice not only by the Group companies but also by our business partners.

### Human Rights Initiatives

We respect the United Nations Guiding Principles on Business and Human Rights as well as the international norms and standards set forth in the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights) and the ILO Declaration on Fundamental Principles and Rights at Work. We respect human rights in accordance with the Ten Principles of the UN Global Compact and other guidelines of the international community and industry guidelines.

### Key Human Rights Issues

The ULVAC Human Rights Policy covers “prohibition of discrimination/harassment,” “employment autonomy,” “product safety, workplace health and safety, and employee health,” “freedom of association,” and “ensuring appropriate working conditions.”

The Corporate Code of Conduct also prohibits any form of discriminatory treatment. In accordance with the Corporate Code of Conduct and the Basic Policy for Human Resources Development, we are striving to create workplaces offering job satisfaction.

For details [» P.67 Compliance](#)

For details [» P.41 Human Resources](#)

“Requests to Our Business Partners” states ULVAC’s requests to business partners concerning human rights. We conduct a questionnaire survey of business partners and confirm whether employment autonomy is maintained.

### Quality Assurance and Product Safety Initiatives

Our top priority is to ensure the quality and functions related to “health and safety” of ULVAC products, which are the result of sound business activities, at the customer’s side.

For details [» Website >> Sustainability > Quality Assurance and Product Safety](#)

### Workplace Health and Safety

In the execution of development, manufacturing, transport, installation, maintenance and other business processes, everyone in the ULVAC Group, from senior management to line workers, is encouraged to seize the initiative in continuously undertaking improvements placing the highest priority on safety, striving to maintain and improve the safety of everyone involved and ensure a healthy working environment.

For details [» P.48 Occupational Safety and Health](#)

#### ● Prohibition of Discrimination/Harassment

ULVAC does not and will not discriminate on the basis of race, skin color, age, sex, sexual orientation, gender identity and gender expression, ethnicity or national origin, disability, pregnancy, religion, political party, union membership, military service, protected genetic information, marital status, or on any other basis. Inhumane treatment, including any form of harassment will not be tolerated. We ensure equal opportunities and fairness in hiring, placement, training, compensation, and promotion.

#### ● Employment Autonomy

No form of child labor, forced labor, debt labor, human trafficking, or prison labor will be tolerated. All work is voluntary, and we will ensure that employees are able to request termination of their employment in accordance with the standards set forth by the relevant laws and regulations of each country and region.

#### ● Product Safety, Workplace Health and Safety, and Employee Health

We will take steps to ensure that ULVAC Group products and services do not endanger the lives or health of those who manufacture, provide, or use them, and we will comply with the laws and regulations concerning health and safety as established in the countries and regions where we operate. We will strive to manufacture and provide safe products and to maintain a safe, secure, and healthy work environment.

## Employee Health

ULVAC has concluded labor agreements with labor unions and promised to sincerely work together with them to adhere to these agreements in order to establish and develop labor-management relations based on mutual faith and trust. Furthermore, we engage in close dialogue with labor unions on management plans and measures, in addition to labor conditions.

From the perspective of work-life balance, we are conducting a review of working hours that includes thorough overtime management and productivity improvement initiatives.

For details [» P.44 Health and Productivity Management](#)

#### ● Freedom of Association

We respect the right to freely form and join labor unions and to participate in collective bargaining and peaceful assembly. We will also create an environment in which workers have opportunities to engage in dialogue with management regarding working conditions and management practices without fear of discrimination, retaliation, intimidation, or harassment.

#### ● Ensuring Appropriate Working Conditions

We respect the right of employees to live a healthy lifestyle, and we will comply with applicable laws and regulations regarding working hours and the use of breaks, holidays, and vacation time in the conduct of our business.

## Supply Chain Initiatives

We endeavor to comply with the RBA Code of Conduct, which is a CSR promotion group focused on the electronics industry. In addition to implementing, evaluating and correcting self-evaluations and thoroughly managing labor hours at major production bases, we request business partners to work with us on these initiatives. We conducted questionnaire surveys mainly of major business partners and have incorporated the questionnaire items into the evaluation at the time of periodic renewal. Furthermore, we have established a policy on the handling of conflict minerals and conduct due diligence.

For details [» P.47 Procurement](#)

## Due Diligence on Human Rights

We have incorporated international norms into the ULVAC Human Rights Policy and have established human rights due diligence processes according to the procedures corresponding to the international norms. We are making an effort to further strengthen relief mechanisms by recognizing, preventing, and addressing possible negative effects of business activities on human rights.

## Education

We educate all officers and employees about human rights and compliance so that they are well-informed and able to act appropriately.

## Remedies and Corrections

We will establish a system (a mechanism for filing grievances) through which any infringement on human rights caused by or associated with our business activities can be reported. If we are made aware of a violation of human rights through this system, we will promptly investigate and take appropriate measures to remedy and correct the situation after fully confirming the facts.

ULVAC has adopted a whistleblowing system operated via the Manager of the Internal Auditing Department for which independence is secured. The Compliance Committee will implement appropriate measures with adequate consideration for confidentiality, anonymity and protection of whistleblowers, and strive to promptly resolve issues and prevent their recurrence.

For details [» P.67 Compliance](#)

## Group's Issues with Significant Impact on Human Rights and Relations with Stakeholders

Business-related human rights issues/stakeholders	Employees	Business partners	Customers	Local community residents
⚠ Forced labor and child labor		●		
⚠ Violations of workers' rights (e.g., the right to collective bargaining and decent working conditions)	●	●		
⚠ Occupational health and safety	●	●		
⚠ Discrimination and harassment	●	●	●	
⚠ Invasion of privacy	●	●	●	
⚠ Restrictions on freedom of expression	●	●	●	
⚠ Human suffering due to misuse of products and promotion of discrimination			●	
⚠ Complicity in conflicts and inhumane acts (e.g., conflict minerals)		●		●
⚠ Violations of local residents' livelihoods and cultures (indigenous peoples' rights, right to water resources/access to medical care, etc.)		●		●

## Respect for Human Rights and Responsible Conduct in the Value Chain

### Responsible Procurement Management

Suppliers are our important partners for manufacturing. ULVAC is committed to responsible procurement throughout the supply chain, in cooperation with business partners, taking human rights, labor, and the environment into consideration.

#### Procurement Policy

The ULVAC Group has established the Basic Procurement Policy. We observe the policy and are promoting CSR procurement in cooperation with our business partners. Furthermore, "Requests to Our Business Partners" states our requests to business partners in areas such as the environment, human rights, labor and compliance as well as compliance with the RBA\*1 Code of Conduct. With regard to promoting CSR procurement, we had conducted a questionnaire survey with reference to the RBA Code of Conduct covering 610 suppliers by FY 2022. As a result, we confirmed that there were no incidences of child labor, forced labor, inhumane treatment, fraud or bribery, which are particularly emphasized in the RBA Code of Conduct, and the handling of conflict minerals. We plan to expand the scope of this CSR questionnaire survey to cover ULVAC Group companies in Japan in FY 2023 and overseas Group companies in FY 2025.

Furthermore, we revised the basic transaction agreement in April 2020 and explicitly mentioned understanding the content of "Requests to Our Business Partners" and its observance.



[For details](#) | [Website > Sustainability > Procurement](#)

#### Purchasing Code of Conduct

We established the Purchasing Code of Conduct, a set of principles emphasizing compliance for employees engaged in procurement, in 2019 with the aim of maintaining sound, good relationships with business partners. In-house education such as case studies on the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors is provided twice a year for employees engaged in ULVAC, Inc.'s procurement and that of Group companies in Japan.

#### Communication with Business Partners

We had been holding operations briefing meetings once a year as a forum for our president to directly explain to business partners matters such as the business environment and ULVAC's business results and supplier meetings three times a year for the person in charge of procurement to communicate production plans in a timely manner. We cancelled these meetings in view of the COVID-19 pandemic, but launched and started operating a membership-based website in FY 2020. We will strive to build closer relationships with business partners by resuming face-to-face meetings, in view of the abatement of the COVID-19 pandemic. Moreover, we will hold seminars for business partners on specific social issues (environment, human rights, etc.) to promote swift responses to those issues.

#### Responsible Minerals Procurement

Conflict minerals are minerals, such as 3TGs\*2 and cobalt, that are sourced from conflict-affected and high-risk areas (CAHRAs) and whose extraction and sale directly or indirectly serve as sources of funding for armed groups or are root causes of serious human rights abuses and poor working conditions. ULVAC, Inc. does not purchase 3TGs, cobalt, or other raw materials that are derived from these conflict minerals.

In particular, we manufacture and sell sputtering targets and various tantalum wrought products in the materials business. We conduct due diligence in accordance with the guidance of OECD and RMI\*3 through conflict minerals surveys covering raw materials suppliers in order to ensure transparency of transactions.

\*1 Responsible Business Alliance. CSR promotion group focused on the electronics industry in global supply chains

\*2 Tantalum, tin, tungsten, and gold

\*3 Responsible Minerals Initiative. An organization that inspects smelters and refiners handling 3TGs to certify that they are not using conflict minerals

### Green Procurement Initiatives

We revised the Green Procurement Standards in August 2020 and request suppliers to share information on chemical substances in commercial components used for products through the chemSHERPA\*. In FY 2021, we conducted activities with a focus on creating an internal structure, implementing systems, and penetration of the Green Procurement Standards among business partners. Since FY 2022, a cross-departmental team for management of chemical substances contained in products established within the company has been organizing and managing information collected from our business partners.

\* Scheme for enabling sharing of information on chemical substances contained in products throughout the supply chain

### Occupational Safety and Health

The ULVAC Group has made "Safety First" the fundamental philosophy of business management. By operating our Occupational Safety and Health Management System (OSHMS) focused on risk assessment, we endeavor to ensure safety of the products and services used by our customers and create dynamic workplaces where Group employees can work in good physical and mental health.

#### Approach to Occupational Safety and Health

In the execution of development, manufacturing, transport, installation, maintenance and other business processes, everyone in the ULVAC Group, from senior management to line workers, is encouraged to seize the initiative in continuously undertaking improvements placing the highest priority on safety, striving to maintain and improve the safety of everyone involved and ensure a healthy working environment.

#### Implementation of Safety and Health Activities

To ensure the safety and good health of its customers and employees, the ULVAC Group holds meetings of the Global Safety Committee, twice a year and all Group companies promote safety and health activities in an integrated manner. Furthermore, we have established a network of the safety personnel in each Group company and promptly share, discuss or implement safety information such as revisions of laws and effective accident prevention measures.

Each Group company operates the OSHMS and declares safety based on management reviews conducted by the president and other executives. To ensure safety, every employee is engaged in occupational safety and health activities through risk assessments etc. We identify hazardous risks at the time of work planning and implement measures before commencement of work. The positive impact of the strengthening of safety measures is apparent in the trend of the frequency ratio of occupational accidents.

We hold monthly meetings of the Safety and Health Committee at each business site, where representatives from the company and the labor union work together to discuss workplace safety and health of employees. We also hold Safety and Health Council meetings twice a year to share a variety of information on safety and health activities in an effort to prevent accidents in unison with our contractors.

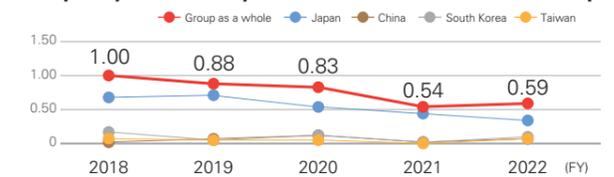
#### ULVAC Group Safety Management System



#### ULVAC Group Basic Policy on Occupational Safety and Health Management System (OSHMS)

- 1. Compliance with the code/regulations, and implementation of risk assessment**  
Comply with Codes of Occupational Safety & Health Management and Rules according to ULVAC's OSHMS, and conduct Risk Assessment in order to perform Occupational Safety & Health Management activities with the help of all the employees.
- 2. Assure safety of ULVAC's products**  
Comply with ULVAC's standard for safety design and perform risk assessment of our products, in order to deliver our safe products and services to our customers.
- 3. Planned education about Occupational Safety & Health & Product Safety**  
For all the employees and contractor's employees, perform Occupational Safety & Health training based on ULVAC Safety Management system, while offering scheduled Product Safety training for our users.
- 4. Promotion of mental health care**  
Promote mental health care to achieve a healthy, vigorous workplace environment.
- 5. Global expansion of ULVAC Group**  
Through the Safety & Health promotion activities of the Global Safety Committee, we will strive to create a safe, secure and appropriate working environment for the whole ULVAC Group, and contribute to prosperity of our businesses.

#### Frequency ratio of occupational accidents at the ULVAC Group



\* This graph shows the rate of occupational accidents for each fiscal year, with the value for FY 2018 (as of June 2019) as 1.00. We have maintained a low frequency ratio of accidents by preventing accidents through various safety activities.