

Quality Assurance and Product Safety

The ULVAC Group is engaging in initiatives worldwide to meet customer expectations for high-level, safe ULVAC quality through total quality management (TQM).

ULVAC Group Quality Policy

- Improve quality & reduce costs and lead time to half
- Maximize profits and customer satisfaction

Quality Assurance System

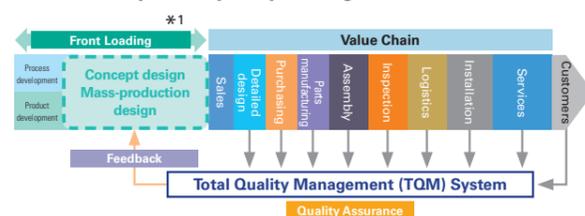
31 ULVAC Group companies are ISO9001: 2015 certified. The Global Quality Assurance Committee led by the president of ULVAC, Inc. spearheads a Group-wide effort to align quality policies and is addressing quality issues and deploying improvements globally.



Quality management is promoted by way of thorough analysis of nonconformities that occurred at a process within the process, implementation of recurrence prevention measures, feedback of findings, implementation of preventive measures, and process standardization activities.

In FY 2021, in order to strengthen coordination of quality activities across the ULVAC Group, we conducted a comprehensive review of quality documentation to date and revised approximately 40% of the entire documentation and established a new documentation system to enable quality management at the business unit level across the Group. This will facilitate shared understanding throughout the Group to achieve better comprehensive quality management.

ULVAC Group total quality management



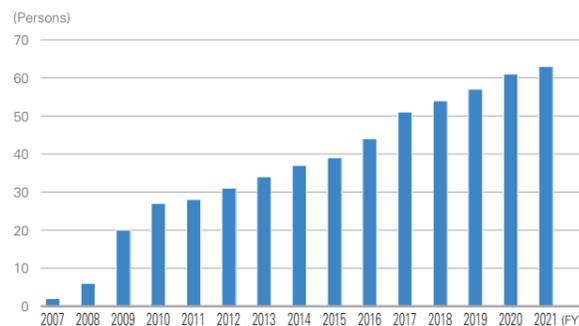
Quality Management Education

In order to ensure that all ULVAC Group employees have basic knowledge of quality, educational materials on quality management for new employees and for employees engaged in engineering, design, and quality assurance are registered on the ULVAC Academy Portal*2 so that they can be accessed remotely. In FY 2021, as part of efforts to raise the quality awareness of each employee through visualization and sharing of objectives and activities across the ULVAC Group, we published internal newsletters to widely disseminate the activities of each Group company, provided support for quality-related education, and held briefings.

Product Safety Activities

To deliver safe and secure ULVAC brand products to markets around the world, qualified safety assessors*3 play a leading role in product safety assessments and continuously engage in activities to verify the required safety and quality at the drawing release and product shipment phases. In line with expansion of production in East Asia, in order to establish an independent verification system at overseas production bases, we are promoting not only periodic information exchange but also group-based education in each area and exchanges of personnel. Non-Japanese quality safety assessors at overseas sites have started to play active roles. ULVAC is promoting product safety activities throughout the Group, which will lead to greater customer satisfaction.

Number of qualified safety assessors



*1 "Front Loading" ordinarily refers to arranging or planning so that a large portion of work occurs in the initial phase. At ULVAC, it is an activity to create quality by identifying issues as soon as possible.
 *2 ULVAC's e-learning system. See P57 for details.
 *3 Safety Assessor (SA) Qualification is a qualification scheme based on third-party certification of machine safety knowledge and competence under international safety standards.

Procurement

Suppliers are our important partners for manufacturing. We are working with them to enhance efficiency of the entire supply chain (from design, procurement, manufacturing, and sales, through to customer support), always being conscious of the environment and society.

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 conducted a questionnaire survey with reference to the RBA Code of Conduct in FY 2021 covering 520 suppliers for registration as new business partners and renewals. 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. In FY 2021, we completed renewals of the agreements with business partners accounting for 97% of the value of procurement.



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. In FY 2020, we cancelled these meetings in view of the COVID-19 pandemic, but launched and started operating a membership-based website. While we strive to provide information in a timely manner, we will continue to examine ways to improve supplier communication with a view to the post-COVID-19 era.

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 target materials 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. In FY 2021, no procured items that use 3TGs or cobalt derived from conflict minerals were detected.

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*4. 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. We will set specific targets for FY 2022 and promote initiatives in cooperation with our business partners.

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