

Respect for Human Rights and Responsible Conduct in the Value Chain

Human Rights

Approach to Human Rights

As we expand our business globally, we recognize that respect for human rights is an important management issue. ULVAC respects human rights in all aspects of its business activities and continues to advance initiatives based on international guidelines and standards. At ULVAC, we have previously established the “Corporate Code of Conduct” as a set of standards that all officers and employees should adhere to, using it as a guideline to ensure that our operations do not infringe upon human rights. However, in response to changes in awareness and challenges surrounding human rights in the international community in recent years, we have developed the “ULVAC Human Rights Policy” based on international norms. This policy aims to strengthen our efforts in line with these international standards. The policy is positioned as an overarching principle for all internal regulations related to human rights within the group companies and applies to all officers and employees of all group companies. In addition, we are striving to ensure that not only our group companies but also our business partners adhere to and implement this policy.

Human Rights Initiatives

We respect international standards such as the United Nations’ ‘Guiding Principles on Business and Human Rights,’ the International Bill of Human Rights (which includes the Universal Declaration of Human Rights and the International Covenants on Human Rights), and the ‘ILO Declaration on Fundamental Principles and Rights at Work.’ Our efforts to respect human rights are carried out in accordance with international guidelines, including the 10 Principles of the UN Global Compact, as well as the standards set by the international community and industry.

Key Issues Regarding Human Rights

The “ULVAC Human Rights Policy” defines the following key principles: “Prohibition of Discrimination/Harassment,” “Voluntary Employment,” “Product Safety, Workplace Safety, Health, and Employee Well-being,” “Freedom of Association,” and “Ensuring Appropriate Working Conditions.”

The Corporate Code of Conduct also prohibits any form of discriminatory treatment, and together with the “Basic Policy for Human Resource Development,” we are committed to creating a workplace environment that fosters employee satisfaction and motivation.

For details [»P.67](#) Compliance For details [»P.42](#) Human Resource

At ULVAC, we outline human rights-related requests in our “Requests to Business Partners.” We conduct written surveys with our business partners to confirm whether the employment autonomy is being upheld.

Quality Assurance and Product Safety Initiatives

The foremost priority is ensuring that ULVAC products, as the result of responsible business practices, reliably maintain the quality and functionality related to “safety and health” at our customers’ sites.

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

Workplace Safety and Health

In carrying out various tasks such as development, manufacturing, transportation, installation, and maintenance, everyone—from management to on-site personnel—places the highest priority on safety. We are committed to proactive and continuous improvement efforts to maintain and improve a safe and healthy working environment for all involved.

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

Employee Well-being

At ULVAC, we have a labor union and have concluded a labor agreement, and both management and employees are committed to adhering to these agreements with sincerity, based on mutual integrity and trust, in order to establish and develop a positive labor-management relationship. Additionally, we engage in close dialogue with the labor union regarding management plans, policies, and labor conditions.

From the perspective of work-life balance, we are reviewing working hours through measures such as strict overtime management and efforts to improve productivity.

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

Freedom of Association

We respect the right to freely form and join labor unions, the right to participate in collective bargaining, and the right to engage in peaceful assembly. We also ensure that workers have the opportunity and environment to engage in dialogue with management regarding labor conditions and business practices, without concerns about discrimination, retaliation, intimidation, or harassment.

Ensuring Appropriate Working Conditions

We respect the right of employees to lead a healthy life and comply with applicable laws and regulations regarding working hours, breaks, holidays, and leave, ensuring that these are properly observed in the course of business operations.

Efforts in the Supply Chain

We are committed to adhering to the RBA (Responsible Business Alliance) Code of Conduct, a CSR-promoting organization primarily focused on the electronics industry. We conduct self-assessment surveys, evaluations, and corrective actions at major production sites, along with strict management of working hours. Additionally, we request our business partners to comply with these standards and work together on these initiatives. For key business partners, we carry out written surveys and include them in evaluations during regular updates. Furthermore, we have established a conflict minerals policy and conduct due diligence.

For details [»P.47](#) Procurement

Human Rights Due Diligence

We incorporate international standards into our policy and have established a due diligence process in accordance with these procedures. Through our business activities, we are committed to recognizing, preventing, and addressing any negative impacts on human rights, while also striving to further enhance our grievance mechanisms.

Education

We provide appropriate training to all officers and employees not only to enhance their knowledge of human rights and compliance but also to ensure that their actions align with these principles.










Grievance and Corrective Actions

We have established a mechanism for reporting any negative impacts on human rights caused by or involved in ULVAC’s business activities (grievance handling mechanism). Through this system, if a human rights violation is identified, we will promptly conduct an investigation, verify the facts thoroughly, take appropriate measures, and work on providing remedies and corrective actions.

At ULVAC, we have adopted an internal reporting system with an independent audit office head as the point of contact. The Compliance Committee takes appropriate actions, ensuring full consideration of the confidentiality, anonymity, and protection of the whistleblower. We aim for prompt resolution and work diligently to prevent recurrence.

For details [»P.67](#) Compliance

Key Human Rights Issues within Our Group and Relationships with Stakeholders

Business-related human rights issues/stakeholders	Employees	Business Partners	Customers	Local Community Residents
 Forced labor and child labor		●		
 Violation of workers' rights (including collective bargaining rights, fair labor conditions, etc.)	●	●		
 Occupational health and safety	●	●		
 Discrimination and harassment	●	●	●	
 Privacy violations	●	●	●	
 Restrictions on freedom of expression	●	●	●	
 Injury and discrimination resulting from product misuse			●	
 Involvement in conflict and inhumane acts (e.g., conflict minerals)		●		●
 Infringement on the lives and cultures of local communities (including Indigenous peoples' rights, access to water resources and healthcare, etc.)		●		●

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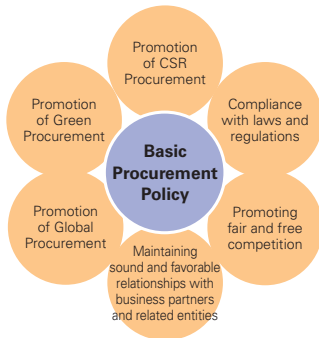
Responsible Procurement Management

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, and we are promoting CSR procurement. Furthermore, "Requests to Our Suppliers" states our requests to suppliers 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 1,100 suppliers by FY 2023. 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.

In March 2024, in accordance with the RBA Code of Conduct, we established the ULVAC Group Supplier Code of Conduct. We have distributed it to our suppliers in Japan, requesting that they make every effort to comply. In FY 2024, we have expanded the scope of the survey and are conducting it primarily with our key suppliers. We plan to implement the survey at ULVAC's domestic and overseas group companies starting from FY 2025 onward.



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

[For details](#) [Website>> Procurement > Sustainability > ULVAC, Inc.](#)

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 an aim to maintain 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 procurement at ULVAC, Inc. and its Group companies in Japan.

Communication with Business Partners

With a primary focus on strengthening relationships with business partners and reinforcing the supply chain, we held "individual briefings" on 15 themes for all suppliers in FY2023. We hold an annual business briefing session for our major business partners, where the president and management directly explain the business environment and ULVAC's performance. Additionally, we host Kyoeikai meetings two to three times a year, where procurement managers provide timely production plans to major business partners. Furthermore, by utilizing the expertise of the Processing Technology Division within our procurement department, we are making efforts to build close relationships with our business partners. This includes providing direct guidance such as supplying processing manuals and material layout diagrams to some of our clients.

Responsible Minerals Procurement

Among the minerals sourced from conflict-affected and high-risk areas (CAHRAs), 3TGs*² and cobalt are those whose extraction and trade 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 does not procure 3TGs, cobalt, or other raw materials involved in these issues.

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

*2 Tantalum, Tin, Tungsten, Gold.

*3 Responsible Minerals Initiative: An organization that conducts audits and certifications of smelters handling 3TG to ensure they are not involved with conflict minerals. Details

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. 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.

Additionally, in fiscal year 2023, to swiftly respond to future regulatory revisions concerning environmental control substances within the Ulvac Group, we revised the "Green Procurement Standards".

*4 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 principle of business management. By operating our Occupational Safety and Health Management System (OSHMS) focused on risk assessment, we endeavor to ensure the safety of products and services used by our customers and create dynamic workplaces where our employees can work energetically and in good health.

Approach on 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, takes the initiative in continuously improving safety with the highest priority and strives to maintain and improve the safety and health of everyone involved in the workplace.

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, ensuring that all Group companies work together to promote safety and health activities. Furthermore, we have established a network of safety personnel across Group companies and promptly share, discuss, and 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 hazards at the time of work planning and implement measures before work commences. The positive impact of the strengthening of safety measures is apparent in the trend in 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 various information on safety and health activities and work together with our partner companies to prevent accidents.

ULVAC Basic Policy on Occupational Safety and Health Management Systems (OSHMS)

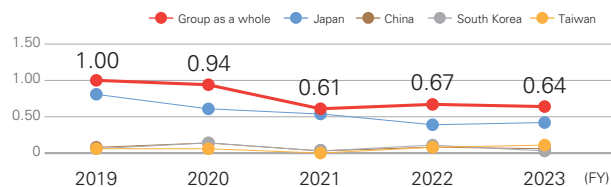
- 1. Compliance with laws and regulations, and implementation of risk assessment**
Comply with Occupational Safety and Health laws and ULVAC's OSHMS regulations, and conduct risk assessment in order to perform Occupational Safety and Health activities with the cooperation of all employees.
- 2. Ensure the safety of ULVAC's products**
Comply with ULVAC's safety design standards and conduct risk assessments on our products in order to deliver safe ULVAC products and services to our customers.
- 3. Planned Education on Occupational Safety, Health, and Product Safety**
Conduct Occupational Safety and Health training based on ULVAC's Occupational Safety and Health Management System (OSHMS) for all employees and contractor employees, and provide planned Product Safety training to ULVAC product users.
- 4. Promotion of mental health care**
Promote mental health care to achieve a healthy and vigorous workplace environment.
- 5. Global expansion of ULVAC group**
Through the Safety & Health promotion activities by the Global Safety Committee, we strive to create a safe, secure, and comfortable working environment for the entire ULVAC Group and contribute to the prosperity of our business.

ULVAC Group Safety Management System



[For details](#) [P.69](#) [Frequency rate of occupational accidents](#)

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 FY2019 (as of June 2020) as 1.00. We have maintained a low incidence of accidents by preventing them through various safety activities.