

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

## Human Rights

We believe that consideration for human rights is an important management issue in the context of further global business development. At the ULVAC Group, we respect human rights in every aspect of business activities and are promoting initiatives in accordance with international guidelines and norms. The ULVAC Group 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](#) [Website >> Sustainability > Human Rights](#)

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

## ULVAC Human Rights Policy

### 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.

### 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.

## Quality Assurance and Product Safety Initiatives

Our top priority is to ensure the quality and functions related to “health and safety” of the ULVAC Group 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](#) [P45 Occupational Safety and Health](#)

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### 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.41 Health and Productivity Management](#)

### 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.

### 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.

[For details >> P.44 Responsible Procurement Management](#)

### 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 (grievance mechanism) through which any negative impact on human rights caused by or associated with the ULVAC Group's 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.

The ULVAC Group has adopted a whistleblowing system whose independence is secured. Whistleblowers may report in their real name or anonymously. The anonymity and privacy of whistleblowers are protected and no retaliation or harassment against them will be tolerated. The Compliance Committee will implement appropriate measures for reported cases, and strive to promptly resolve issues and prevent their recurrence.

[For details >> P.60 Compliance](#)

### ULVAC 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 safety and health	●	●		
 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. The ULVAC Group 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 is promoting CSR procurement. 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\*<sup>1</sup> 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 FY2023. As a result, we confirmed that there were no instances of child labor, forced labor, inhumane treatment, fraud or bribery, issues that are particularly emphasized in the RBA Code of Conduct, and that appropriate measures regarding the handling of conflict minerals are in place. Furthermore, in March 2024, we established the ULVAC Group Supplier Code of Conduct based on the RBA Code of Conduct, distributed it to our suppliers in Japan, and requested their cooperation in complying with it.



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

In FY2025, as in FY2024, we conducted a questionnaire survey focusing on major business partners. Based on the results of this questionnaire survey, we plan to conduct CSR audits. Questionnaire surveys by Group companies in Japan began in FY2025, and a phased rollout is planned for Group companies overseas.

### Purchasing Code of Conduct

The Purchasing Code of Conduct established in FY2019 sets out the principles for procurement personnel, with compliance as a core requirement, to maintain sound, good relationships with business partners. Annual in-house education is provided to employees engaged in procurement at Japanese and overseas Group companies that manufacture the major products of the ULVAC Group. To reinforce compliance with the Purchasing Code of Conduct, we also provide targeted training. In FY2025 we plan to conduct training on amendments to consignment transactions defined under the Act Against Delay in Payment of Fees, etc. to Small and Medium-sized Entrusted Business Operators in Manufacturing and Other Specified Fields.

### Communication with Business Partners

In FY2024, focusing on strengthening relationships with business partners and enhancing supply-chain resilience, we held briefing sessions for all business partners on key themes, including strengthening manufacturing capabilities, CSR procurement, and responses to social issues such as environment, human rights, and ethics. Moreover, we hold an annual operations briefing meetings, where the president and other senior executives provide a direct explanation of the ULVAC Group's business environment and performance, and four supplier meetings each year, where purchasing managers communicate production plans in a timely manner. Furthermore, to ensure proper transactions throughout the supply chain, we have designated March and September each year as "Price Negotiation Promotion Months," creating an environment where small and medium-sized business partners can easily negotiate prices and pass on costs. In addition, we coordinate with our business partners to address supply risks for components containing rare earths and other critical materials.

### Responsible Minerals Procurement

Conflict minerals are minerals, such as 3TGs\*<sup>2</sup> 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\*<sup>3</sup> through conflict minerals surveys covering raw materials suppliers in order to ensure transparency of transactions.

\*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 our suppliers to share information on chemical substances in components used for the ULVAC Group's products through the chemSHERPA\*<sup>4</sup>. In FY2021, we conducted activities with a focus on creating an internal structure, implementing systems, and penetration of the Green Procurement Standards among business partners. Since FY2022, 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.

Furthermore, in FY2023, we revised the Green Procurement Standards once again to enable the ULVAC Group to respond promptly to future changes in laws and regulations regarding environmentally regulated substances.

\*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 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. ULVAC, Inc. is also preparing to obtain ISO 45001 certification, the international standard for Occupational Safety and Health Management Systems (OSHMS).

### 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.

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

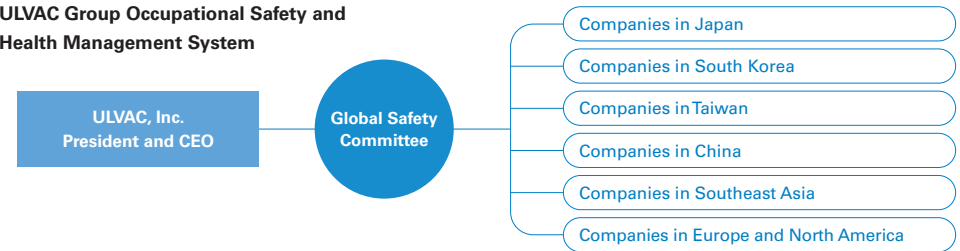
- 1. Compliance with the code/regulations, and implementation of risk assessment**  
Comply with Codes of Occupational Safety and Health Management and Rules according to ULVAC's OSHMS, and conduct Risk Assessment in order to perform Occupational Safety and Health Management activities with the help 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 and Health & Product Safety**  
For all the employees and contractor's employees, perform Occupational Safety and Health training based on ULVAC'S OSHMS, 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 and 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.

### Implementation of Safety and Health Activities

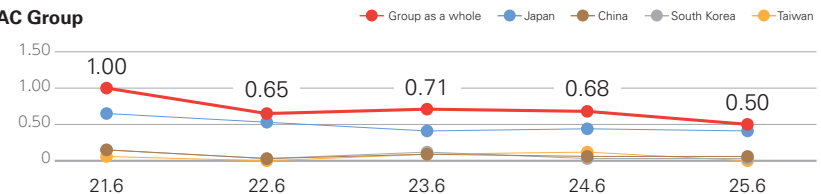
To ensure the safety and health of customers and employees, the ULVAC Group holds meetings of the Global Safety Committee, twice a year and all ULVAC Group companies promote safety and health activities in an integrated manner. Furthermore, we have established a network of the safety personnel in each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

Each ULVAC 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 Occupational Safety and Health Management System



#### 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 FY2020 (as of June 2021) as 1.00. We have maintained a low frequency ratio of accidents by preventing accidents through various safety activities.

For details [▶▶ P.62](#) Rate of lost-work-time injuries