



ULVAC GROUP  
SUPPLIER CODE OF CONDUCT

Version 1

March 2024

ULVAC, Inc.

## INTRODUCTION

ULVAC aims to be a company that entire society desires to grow and develop, and to contribute to the realization of a better society.

In recent years, with globalization and changes in the environment surrounding cooperations, the responsibilities that society demands of companies are evolving with the times. The expectations of our customers and stakeholders regarding consideration for the global environment and society have increased enormously, and these expectations have become an integral part of our business.

Under these circumstances, ULVAC is deeply aware of its corporate responsibility and has established “Basic Procurement Policy” to fulfill Corporate Social Responsibility (CSR). In “Requests to Our Business Partners” section on ULVAC website, it has long set forth its requests related to environment, human rights, labor and compliance as well as compliance with the Responsible Business Alliance (RBA\*<sup>1</sup>), which is a global industrial alliance, Code of Conduct\*<sup>2</sup>.

Based on the RBA Code of Conduct\*<sup>2</sup>, ULVAC has now established ULVAC Group Supplier Code of Conduct to further improve CSR procurement in its supply chain.

The Code of Conduct contains important items such as legal compliance, respect for human rights, environmental protection, occupational safety, and information management. At the same time, it is consistent with the direction ULVAC aims for in its procurement activities. Relationships of trust and cooperation with suppliers are essential in promoting sustainable CSR procurement. We request our suppliers understand and support the purpose of the Code of Conduct and ask for cooperation in promoting sustainable procurement activities.

We ask that our suppliers request their suppliers understand the purpose of the Code of Conduct and implement the rules as well.

March 2024  
Procurement Department  
Production HQ  
ULVAC, Inc.

\*The Code is prepared based on the RBA Code of Conduct Version 8.0.

### History of Issuance and Revision

Ver.	Date	Main Content
1	March 2024	Creation of new ULVAC Group Supplier Code of Conduct

## A. Labor

Suppliers commit to respect the human rights of workers, and to treat them with dignity. This applies to direct and indirect suppliers, as well as all workers including temporary, migrant, student, contract, direct employees, and any other type of worker.

The labor standards are as follows:

### 1. Prohibition of Forced Labor:

- Forced labor in any form, including bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not used. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services.
- There are no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities. The term "freedom of movement" refers to freedom of residence, relocation, etc.
- When accepting foreign or migrant workers, as part of the hiring process, workers are provided with a written employment agreement in a language the worker can understand, that contains a description of terms and conditions of employment prior to the worker departing from his or her country of origin. There shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms.
- Without reasonable cause, there shall be no restrictions on workers' freedom including holding them for labor. Workers are free to terminate their employment if reasonable notice is given.
- Suppliers or agents may not hold or otherwise destroy, conceal, confiscate, or prevent workers from using identity or immigration documents of workers, such as government-issued identification, passports, or work permits. This does not apply if retention of these documentation is required by the law.
- Workers shall not be required to pay employers or employers' agents recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

### 2. Young Workers:

- Child labor shall not be used in any kind of task.  
The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. This does not apply to the use of legitimate workplace learning programs.
- Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime.
- In accordance with applicable laws and regulations, proper management of student workers is

ensured through proper maintenance of student records, appropriate guidance of educators, and protection of students' rights.

- In the absence of local law, the wage rate for student workers and apprentices is at least the same wage rate as other new workers performing equal or similar tasks.

### **3. Working Hours:**

- Working hours shall not exceed the maximum set by local applicable laws and regulations.
- Suppliers strive to ensure that weekly working hours of workers do not exceed 60 hours, including overtime, except in emergency or unusual situations.
- Suppliers strive to provide workers with at least one day off every seven days, except in emergency or unusual situations.

### **4. Wages and Benefits:**

- Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits.
- Workers shall be compensated for overtime at pay rates greater than regular hourly rates while complying with local applicable laws and regulations.
- Suppliers strive to ensure that all workers receive equal pay for equal work and qualification.
- Deductions from wages as a disciplinary measure shall not be permitted unless determined through a reasonable process.
- For each pay period, workers are provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed.
- All use of workers shall be subject to the limits of the local law.

### **5. Non-Discrimination/Non-Harassment/Humane Treatment:**

- Suppliers are committed to a workplace free of harassment and unlawful discrimination.
- There shall be no harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse of workers; nor is there to be the threat of any such treatment.
- Suppliers shall not engage in discrimination based on race, color, age, gender, sexual orientation, gender identity or expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital history in hiring and employment practices such as wages, promotions, rewards, and access to training.
- Disciplinary policies and procedures in support of above requirements shall be clearly defined and communicated to workers.
- Suppliers shall provide workers with reasonable accommodation for religious practices and disability.
- Workers or potential workers should not be subjected to medical tests or physical exams that could be used in a discriminatory way.

### **6. Freedom of Association and Collective Bargaining:**

- Workers and their representatives are able to communicate and share information with the company regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.
- In accordance with local law, suppliers respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively, and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities.

## B. Health and Safety

Suppliers recognize that in addition to minimizing the incidence of work-related injuries and illnesses, a safe and healthy working environment enhances the quality of products and services, consistency of production and worker retention and morale. Suppliers also recognize that ongoing worker input and education are essential to identifying and solving health and safety issues in the workplace.

The health and safety standards are as follows:

### 1. Occupational Health and Safety:

- To ensure the safety of the company and its workers, the supplier strives to identify and assess potential hazard sources and reduce the hazards using the Hierarchy of Controls\*<sup>3</sup> which eliminate or mitigate exposure to occupational hazards.
- Workers are provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks to them associated with these hazards. Gender-responsive measures are taken, such as not having pregnant women and nursing mothers in working conditions, which could be hazardous to them or their child.

### 2. Emergency Preparedness:

- To prepare for emergencies or contingencies, emergency plans and response procedures are identified and assessed. Employee notification and worker training and drills are implemented.
- Emergency drills are executed at an appropriate frequency, and information related to emergency is clearly posted in the facility.

### 3. Occupational Injury and Illness:

- Return of workers to work is facilitated by establishing procedures to prevent, manage, track and report occupational injuries and illnesses.
- Suppliers allow workers to remove themselves from imminent harm on their own will, and not return until the situation is mitigated, without fear of retaliation.

### 4. Industrial Hygiene:

- Worker exposure to chemical substances or agents is identified, evaluated, and controlled. If possible, measures are taken to eliminate or mitigate such exposures.
- Workers are provided with personal protective equipment free of charge.
- Workers are provided with safe and healthy working environments, and their health and working environments are continuously monitored.
- Ongoing education on the risks associated with workplace safety hazards is required as well.

**5. Physically Demanding Work:**

- Physically demanding tasks for workers are identified, evaluated, and appropriately controlled.

**6. Machine Safeguarding:**

- The safety of production and other machinery is evaluated for proper maintenance.

**7. Sanitation, Food, and Housing:**

- Workers shall be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities when necessary. Worker dormitories provided by the supplier or a labor agent shall be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting, and adequate conditioned ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

**8. Health and Safety Communication:**

- Suppliers strive to provide workers with health and safety information and report safety hazard information to workers in the language of the worker or in a language the worker can understand.
- Health and safety related information is clearly posted in the facility or placed in a location identifiable and accessible by workers. Training is provided regularly.

## C. Environment

Suppliers recognize that environmental responsibility is integral to producing world-class products. Suppliers shall identify the environmental impacts and minimize adverse effects on the community, environment, and natural resources, while safeguarding the health and safety of the public.

The environmental standards are as follows:

**1. Environmental Permits and Reporting:**

- All required environmental permits and approvals are obtained, maintained, and kept current and their operational and reporting requirements are followed.

**2. Pollution Prevention and Resource Conservation:**

- Emissions of pollutants and generation of waste are minimized through implementation of

measures such as identification of the source, modification of processes, and recycling.

- The use of natural resources is conserved by practices such as materials substitution, re-use, recycling, etc.

### **3. Hazardous Substances:**

- Materials posing a hazard to humans or the environment are identified, labeled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal.

### **4. Solid Waste:**

- Suppliers implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous).

### **5. Air Emissions:**

- Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion byproducts are characterized as required, routinely monitored, controlled, and treated as required prior to discharge.
- Ozone depleting substances are effectively managed in accordance with the Montreal Protocol\*<sup>5</sup> and applicable regulations.
- Suppliers conduct routine monitoring of the performance of their air emission control systems.

### **6. Materials Restrictions:**

- Suppliers strive to adhere to all applicable laws, regulations, and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing including labeling for recycling and disposal.

### **7. Water Management:**

- Suppliers seek opportunities to conserve water and implement a water management program through documentation, characterization, and monitoring of water sources, use and discharge.
- Wastewater is characterized, monitored, controlled, and treated as required prior to discharge or disposal.
- Suppliers conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

### **8. Energy Consumption and Greenhouse Gas Emissions:**

- Suppliers establish greenhouse gas reduction goal. Energy consumption and greenhouse gas emissions are tracked, documented, and recorded. Suppliers strive to disclose this information when requested.
- Suppliers actively look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

## D. ETHICS

To meet social responsibilities and to achieve success in the marketplace, suppliers and their agents uphold the highest standards of ethics including the following:

### **1. Business Integrity\*<sup>6</sup>:**

- The highest standards of integrity\*<sup>6</sup> shall be upheld in all business interactions. Suppliers have a policy to absolutely prohibit any and all forms of bribery, corruption, extortion and embezzlement.

### **2. No Improper Advantage:**

- Bribes or other means of obtaining undue or improper advantage are not promised, offered, authorized, given, or accepted.
- Monitoring and procedures are implemented to ensure compliance with anti-corruption laws.

### **3. Disclosure and Information:**

- All business dealings shall be transparently performed and accurately reflected on the companies' business books and records.
- Information regarding labor, health and safety, environmental practices, business activities, structure, financial situation, and performance are disclosed in accordance with applicable regulations and prevailing industry practices.
- Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

### **4. Intellectual Property:**

- Intellectual property rights shall be respected. Transfer of technology and know-how is to be done in a manner that protects intellectual property rights. Suppliers safeguard the information of their customers and suppliers as well.

### **5. Fair Business, Advertising and Competition:**

- Standards of fair business, advertising, and competition shall be upheld.

### **6. Protection of Identity and Non-Retaliation:**

- Unless prohibited by law, suppliers maintain programs that ensure the confidentiality, anonymity, and protection of their supplier and employee whistleblowers.
- Suppliers shall have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

### **7. Responsible Sourcing of Minerals:**

- Suppliers endeavor to maintain a policy and exercise due diligence\*<sup>7</sup> on the source and chain of custody of the tantalum, tin, tungsten, gold, and cobalt in the products they manufacture or purchase to reasonably assure that they are sourced in a way consistent with the Organisation for Economic Co-operation and Development (OECD) Guidance for Responsible Supply



Chains of Minerals from Conflict-Affected and High-Risk Areas or an equivalent and recognized due diligence\*<sup>7</sup> framework.

**8. Privacy:**

- Suppliers protect the reasonable privacy expectations of personal information of everyone they do business with, including their suppliers, customers, consumers, and employees.
- Suppliers comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

## E. MANAGEMENT SYSTEMS

Suppliers strive to adopt or establish a management system with a scope that is related to the content of this Code. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations and customer requirements related to the supplier's operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It shall also facilitate continual improvement.

**1. Company Commitment:**

- Suppliers establish human rights, health and safety, environmental and ethics policies affirming their commitment to due diligence\*<sup>7</sup> and continual improvement, endorsed by executive management.
- Policies are made public and communicated to workers in a language they understand via accessible channels.

**2. Management Accountability and Responsibility:**

- Suppliers clearly identify senior executive and representative(s) responsible for ensuring implementation of the management systems and associated programs.
- Senior management reviews the status of the management systems on a regular basis.

**3. Legal and Customer Requirements:**

- Suppliers adopt or establish a process to identify, monitor and understand applicable laws, regulations, and customer requirements, including the requirements of this Code.

**4. Risk Assessment and Risk Management:**

- Suppliers adopt or establish a process to identify the legal compliance, environmental, health and safety, labor practice and ethics risks.
- Suppliers implement appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

**5. Improvement Objectives:**

- Suppliers establish written objectives, targets and implementation plans to improve their social, environmental, and health and safety performance.
- Suppliers perform periodic assessment of their performance in achieving objectives.

**6. Training:**

- Suppliers establish programs for training managers and workers to implement their policies, procedures, and items set in the improvement objectives and to meet applicable legal and regulatory requirements.

**7. Communication:**

- Suppliers establish process for communicating clear and accurate information about their policies, practices, expectations, and performance to workers, suppliers, and customers.

**8. Worker/Stakeholder Engagement and Access To Remedy:**

- Suppliers establish processes for ongoing two-way communication with workers, their representatives, and other stakeholders where relevant or necessary. The process shall aim to obtain feedback on operational practices and conditions covered by this Code, and to foster continuous improvement.
- Workers are given a safe environment to provide grievance and feedback without fear of reprisal or retaliation.

**9. Audits and Assessments:**

- Suppliers conduct periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code, and customer contractual requirements related to social and environmental responsibility.

**10. Corrective Action Process:**

- Suppliers establish a process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

**11. Documentation and Records:**

- Suppliers create and maintain documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

**12. Supplier Responsibility:**

- Suppliers endeavor to establish a process to communicate Code requirements to their suppliers and to monitor their compliance to the Code.

## Notes:

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\*1 Responsible Business Alliance (RBA) is an alliance of companies aimed at supporting safety in the working environment and the rights of workers in supply chain of the semiconductor and electronics industry. Today, many of the major companies are members of the RBA.

\*2 The RBA Code of Conduct is a set of standards of conduct for members to follow. ULVAC has set forth its requests related to environment, human rights, labor and compliance as well as compliance with the RBA Code of Conduct.

\*3 Hierarchy of Controls is a system that organizes methods and strategies of reducing risks to health and safety of workers in the management of workplace risks. The approach recommends that risk control measures be ranked from the most effective to the least, and that the most effective measures be implemented in order, starting with the most effective.

\*4 Gender refers to the state of being male or female socially and culturally. Gender is different from biological sex, and it includes gender identity of a person's self-identification as well as gender-based roles, behaviors and attributes expected by society.

\*5 Montreal Protocol is an agreement signed in Canada, and is aimed at designating substances that may deplete ozone layer and regulating the manufacture, consumption and trade of these substances.

\*6 Integrity refers to truthfulness and honesty as well as consistency of behavior based on moral principles.

\*7 Due diligence refers to conducting careful examinations and analysis in advance. Through this process, related risks and potential problems are identified. After causes are investigated and examined, measures are implemented for proper decision-making and minimization of risks.

## References:

- RBA Code of Conduct Ver.8.0

[https://www.responsiblebusiness.org/media/docs/RBACodeofConduct8.0\\_English.pdf](https://www.responsiblebusiness.org/media/docs/RBACodeofConduct8.0_English.pdf)