



Compliance

Why SUMCO Addresses Compliance

The SUMCO Group recognizes that properly complying with laws, ordinances and expected social norms are critical to the Company fulfilling its social responsibility and essential to the continuous enhancement of the Company's corporate value. Based on this belief, SUMCO strives to promote compliance activities.

The SUMCO Charter of Corporate Conduct

For the Group's further growth while fulfilling its social responsibility, the SUMCO Group has instituted the SUMCO Charter of Corporate Conduct to define the norms that the Group's employees should uphold, not only in terms of compliance with laws and ordinances, but also more broadly in terms of CSR in general. The SUMCO Charter of Corporate Conduct is positioned as the highest level of SUMCO regulations, and is placed above the various in-house regulations and compliance programs found within the Group.

The SUMCO Charter of Corporate Conduct will be kept available on the corporate intranet at all times to further broaden employee awareness. Education in the SUMCO Charter of Corporate Conduct is also being provided to all employees on

regular basis.

In accordance with the SUMCO Charter of Corporate Conduct, the Company appoints a Chief Compliance Officer to embody the highest level of responsibility for compliance. The Chief Compliance Officer monitors the status of compliance with the SUMCO Charter of Corporate Conduct by means of compliance supervisors in each department and Group company, regularly reports findings to the Board of Directors, and undergoes review by the Board.

In order to further ensure compliance with laws and ordinances, the Legal Oversight Regulations appoint departments with primary responsibility for continually overseeing those laws and ordinances that are related to the execution of the departments' business. Each responsible department continuously monitors the enactment, amendment and abolishment of relevant laws and ordinances, while the auditing department confirms the status of legal compliance through internal audits.

In the event a problem related to compliance is discovered, the departments involved act in cooperation and under the supervision of the Chief Compliance Officer to immediately investigate the cause of the problem and prevent its recurrence.

SUMCO CSR Policy

1. Supported by its cutting edge technology, SUMCO shall steadily provide products and services with excellent quality, ability and safety, shall win customers' satisfaction and trust, and shall contribute to the sustainable development of society.
2. SUMCO shall produce legitimate profits, grow corporate value, proceed with timely and appropriate disclosure to the public, and aim at returns to its shareholders and investors.
3. SUMCO shall comply with laws and regulations, international rules, and social norms, shall implement risk management, and shall maintain business continuity.
4. SUMCO shall choose its suppliers by fair and rational standards, establish mutual confidence, and prosper together.
5. SUMCO shall manage environmental activities, make use of resources and energy efficiently, and control emission.
6. SUMCO shall maintain safe, healthy, comfortable and appropriate workplaces for everybody working in SUMCO, shall have a high regard for human rights, ability and personality, and shall realize fair and diverse ways of working.
7. SUMCO shall respect various cultures and histories, and shall interact with society and local communities.

Fair Business Activities / Anti-Corruption

SUMCO is committed to promoting fair business activities and preventing bribery and other forms of corruption, and the SUMCO Charter of Corporate Conduct clearly provides for legal compliance, fair competition, and prohibition of any wrongful provision of profits to public servants and other officials. SUMCO sets forth further detailed provisions in the Regulations on Handling the Grant of Benefits.

The Regulations on Handling the Grant of Benefits prohibit (1) unlawful political contributions and donations; (2) entertainment or gifts in connection with the duties of public servants; (3) financial benefits in connection with the exercise of shareholders' rights; (4) excessive entertainment, gifts or other such benefits that exceed commonly accepted bounds in society; and any unlawful benefits as well as the entire range of transactions that are recognized as wrongful or improper in light of what is commonly accepted in society. The Regulations also

define standards for making donations, providing sponsorship, paying entertainment expenses, giving celebratory or condolence gifts, paying membership dues to external organizations, and outsourcing operations and ensure the implementation of them under an appropriate approval process.

SUMCO keeps the Regulations on Handling the Grant of Benefits available at all times on the corporate intranet in order to make it widely known. We also provide training on the SUMCO Charter of Corporate Conduct to thoroughly familiarize all officers and employees with it, and the status of compliance with these provisions is regularly reported to the Chief Compliance Officer.

Internal Reporting System

SUMCO has introduced an internal reporting hotline which is available to all employees for reporting actions violating laws and ordinances as well as those violating the SUMCO Charter of

Corporate Conduct. In addition to an in-house contact point for internal reports, an external contact point (an attorney) has also been provided so that employees can make reports with peace of mind. Anonymous reports are accepted and all disadvantageous treatment including retaliation against employees who make reports is strictly forbidden.

The Company makes every effort to fully disseminate information about the internal reporting system to employees. Information on how to use the hotline and about contact points for consultation are posted at all times on the corporate intranet, and these matters are also explained during training on the SUMCO Charter of Corporate Conduct which is conducted regularly for all employees.

Export Control

To ensure thorough export control aimed at maintaining international peace and security, SUMCO has clearly laid out compliance with export control rules in the SUMCO Charter of Corporate Conduct. The Company has established an appropriate export control system in accordance with the Security Export Control Rules where it ensures that exports are only executed after the reviews and examinations of all the requirements to be met, and implemented measures including regular training on export control for employees.

Renouncing Relationships with Antisocial Forces

The SUMCO Charter of Corporate Conduct declares that the Company denounces any kind of relationship with antisocial forces and rejects unreasonable requests or demands from such forces. This is thoroughly disseminated among all executives and employees of the Company through education and training.

Initiatives on Intellectual Property

As its basic policy, the SUMCO Group attaches importance to intellectual property and utilizes it as a strategic tool for the Group's business, while at the same time respecting the intellectual property rights of third parties. Based on this policy, we have set forth rules on how we obtain, maintain and utilize intellectual property and prevent infringements in the SUMCO Charter of Corporate Conduct and Intellectual Property Regulations, and provide regular education on intellectual property matters to employees. We also actively and continually pursue efforts to facilitate the effective utilization of intellectual property, including an inventor commendation scheme designed to encourage invention and improve the quality of patent applications. Obtained intellectual property rights are also reviewed periodically to eliminate obsolete intellectual property so as to keep costs at a reasonable level.

Key Elements of the SUMCO Charter of Corporate Conduct

Based on SUMCO CSR Policy, the SUMCO Charter of Corporate Conduct broadly defines the norms that the Company's employees should uphold in terms of CSR in general.

■ Compliance with laws and ordinances, international rules and social norms

In addition to complying with relevant laws and ordinances in Japan and overseas, the Charter holds SUMCO and its employees to more stringent standards with respect to anti-corruption, promotion of fair business activities and such-like. During training on the Charter, we also cover international CSR requirements such as the RBA (Responsible Business Alliance) Code of Conduct and require employees to understand thoroughly.

■ Respecting human rights and maintaining safe, comfortable and appropriate workplace environments

To cultivate a comfortable and appropriate workplace by advancing safety and health and respect the human rights, abilities and individuality of all employees, we strictly prohibit discrimination on the basis of unreasonable factors including nationality, race, age, gender and religion and strictly prohibit various forms of harassment.

■ Information management and intellectual property protection

In light of the fact that information and intellectual property rights represent the source of corporate competitiveness, the Charter prohibits conduct such as the leaking or falsification of information and defines the appropriate management of information, and also establishes provisions concerning the utilization of intellectual property rights while prohibiting conduct that infringes upon the intellectual property rights of others.

■ Protecting the environment

The Charter also sets forth provisions on how SUMCO should comply with environmental laws and ordinances while making every effort to reduce waste and pollutants, and also requires employees to understand this policy and act with an awareness of environmental conservation on a daily basis.

■ Improving quality

To improve customer satisfaction and mitigate the risks inherent in product liability, the Charter requires diligent efforts to maintain and improve the quality of our products and services.

Conflict Minerals

We understand that none of tantalum, tin, gold or tungsten is necessary to the functionality or production of a product manufactured by us, and that thus our product is not subject to the Conflict Mineral regulations under the Dodd-Frank Wall Street Reform and Consumer Protection Act of the United States of America established in 2010.