

SUMCO CSR Procurement Policy

SUMCO promotes responsible procurement activities to fulfill our social corporate responsibility across our supply chain. We thoroughly share with our suppliers various themes related to supply chain, and tackle procurement activities with such themes in mind so that our customers can use our products with peace of mind and our various stakeholders should be satisfied.

We would appreciate it if you could implement the following CSR requirements and also encourage your own suppliers to promote CSR management throughout your supply chain.

1. Human Rights and Labor

It is expected to uphold human rights of all workers and treat them with dignity and respect. You are required to comply with the following standards, among others:

- (1) Freely chosen employment, and prohibition of forced or bonded labor;
- (2) Prohibition of child labor, and protection of young workers from dangerous work or night shifts;
- (3) Properly managing working hours and holidays, and reducing overtime;
- (4) Compliance with laws and regulations on wages and mandated benefits, and payment of proper wages which satisfy minimum wages and living standards;
- (5) Prohibition of inhumane treatment, and prohibition and prevention of harassment;
- (6) Prohibition of discrimination based on race, nationality, age, gender, religion, disability, marital status, sexual orientation, etc.; and
- (7) Freedom of association, freedom of joining trade unions, and respect for the right of collective bargaining.

2. Safety and Health

It is expected to ensure occupational safety and promote workers' health. You are required to comply with the following standards, among others:

- (1) Occupational safety;
- (2) Preparedness for emergency including securing exit route doors;

- (3) Prevention of occupational injury and illness;
- (4) Securing industrial hygiene;
- (5) Controlling physically demanding work;
- (6) Machine safeguarding;
- (7) Securing safety and health on sanitation, food and housing; and
- (8) Training on health and safety.

3. Environment

It is expected to reduce environmental impact and to promote effective use of resources.

You are required to comply with the following standards, among others:

- (1) Obtaining and maintaining all the necessary environmental approvals and registrations;
- (2) Prevention of pollution and efficient use of resources;
- (3) Strict control of hazardous substances;
- (4) Control, reduction and reuse of solid waste;
- (5) Monitoring and controlling air emissions;
- (6) Prohibition and restriction of specific substances;
- (7) Water management; and
- (8) Control and documentation of energy consumption and greenhouse gas emissions.
- (9) Preservation of biodiversity

4. Ethics

You are required to uphold and implement the highest level of business ethics, including:

- (1) Prohibition of bribery, corruption, extortion and embezzlement;
- (2) Prohibition of offering or accepting improper advantage;
- (3) Proper disclosure of information;
- (4) Protection of intellectual property;
- (5) Fair business, advertising and competition;
- (6) Protection of whistle-blowers and prohibition of retaliation;
- (7) Responsible sourcing of minerals; and
- (8) Privacy protection and information security.

5. Business Continuity

To secure stable supply of important products and services, you are required to implement necessary actions, including risk assessment, business continuity planning, training, drills and maintenance of emergency communication channels.

6. Management System

You are required to establish and administer a management system to achieve and ensure the items above.

The management system shall be equipped with the following elements:

- (1) Stated policy/commitment of compliance;
- (2) Periodical senior management review of the management system;
- (3) Process to identify, monitor and understand applicable laws, regulations and customer requirements and this Policy's requirements;
- (4) Risk assessment and risk management;
- (5) Improvement objectives;
- (6) Training;
- (7) Communication;
- (8) Worker feedback, participation and grievance;
- (9) Audits and assessments;
- (10) Corrective action process;
- (11) Documentation and records; and
- (12) Communicating this policy's requirements to your suppliers and monitoring suppliers' compliance with them.

SUMCO will support our suppliers' implementation of those CSR requirements.