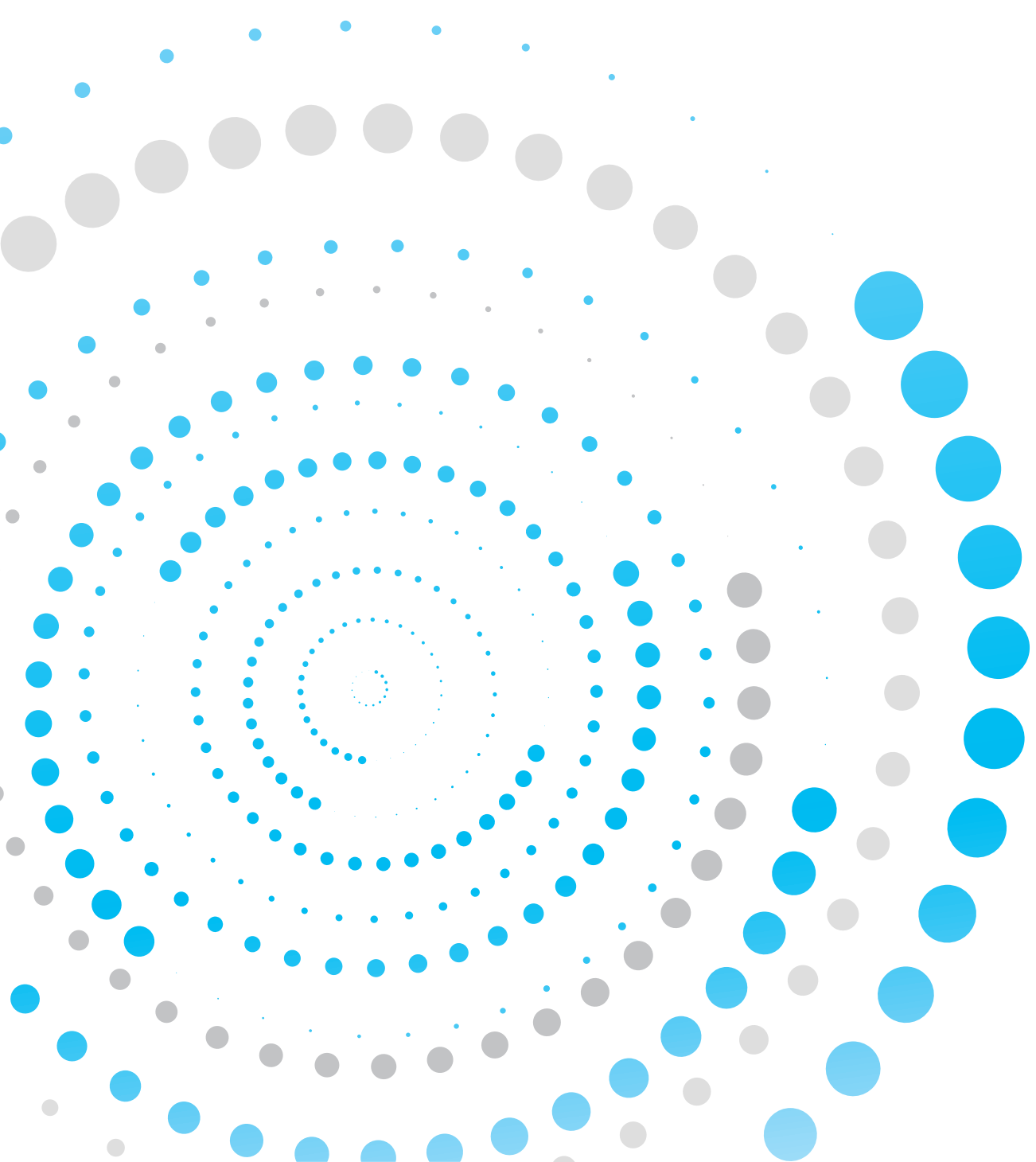


SUMCO

CSR Report 2021



Editorial Policy

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Editorial Policy

The objective of this report is to convey the SUMCO Groups' stance on CSR and report its activities to stakeholders in order to enhance their understanding and earn their support. This report has been prepared with reference to portions of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, Standards.

Period Covered

January 2020 to December 2020

Data for periods outside the above are noted as such.

Organizations Covered

SUMCO Corporation and its Group companies.

"SUMCO" and "the Company" as used in this report refers to SUMCO Corporation.

The Financial Highlights cover SUMCO Corporation and its consolidated subsidiaries. Other performance data outside the above scope are noted as such.

Publication

June 2021

Note Regarding Forward-Looking Statements

Projections, predictions, prospects, and other forward-looking statements contained in this report are made by the Company based on the information available at the time of the release of the statements and therefore are subject to risks and uncertainties. Due to various factors, actual results may vary significantly from results anticipated in the forward-looking statements.

Top Message



CEO & Chairman of the Board
Mayuki Hashimoto

SUMCO Vision

- ① World's Best in Technology
- ② Deficit-Resistant Even during Economic Downturns
- ③ Empower Employee Awareness of Profit
- ④ Competitiveness in Overseas Markets

Currently, many people around the world, such as medical professionals and workers engaged in supply of daily necessities and logistics, keep making all-out efforts day and night to prevent the spread of COVID-19. SUMCO wishes to express our great respect and gratitude to all of those people for the efforts, and sincerely prays for the early recovery of the infected people and the end of the infection as soon as possible.

SUMCO Group has activated our BCP (Business Continuity Plan), and we are implementing all measures considered to be effective, including wearing masks and hand sanitization, full teleworking of head office operations and large-scale meetings, restriction of business trips, and refraining from nonessential and non-urgent outings.

Semiconductors are widely used in a large variety of electronic devices, including medical equipment vital for human life, and communications equipment needed for telework and web conferences that have expanded dramatically during the COVID-19 pandemic. As a company that plays a part in the semiconductor supply chain, SUMCO is fully committed to fulfilling its responsibility for supplying silicon wafers so that we can contribute to the fight against COVID-19.

Aspiring to Serve as a Good Corporate Citizen

Semiconductor devices are used in every facet of our lives, from information terminal devices such as smartphones and personal computers, communications equipment and data centers that process and store large volumes of information, home appliances including televisions and air conditioners, through to automobiles, trains and other vehicles. Providing the technological base for such devices, silicon wafers can also be considered critically important as a key material in maintaining today's standard of living. In addition, as global warming due to greenhouse gas emission causes the extreme weather and the rising sea level on a global basis, coexistence of CO₂ reduction and economic growth is a critical issue for all humanity. The SUMCO Group supports energy-conservation, spread of clean energy and greenhouse gas reduction and contributes to resolving social and environmental issues through our strong points including silicon wafers for power-saving devices, silicon wafers for IGBTs which are utilized for electric vehicles (EV) and hybrid vehicles and silicon wafers for power-management devices which are utilized for renewable energy generation system such as solar power and wind power.

At the SUMCO Group, under our philosophy to contribute to the development of industry as well as to the improvement of people's quality of life through the supply of silicon wafers, we strive to be a good corporate citizen and engage in CSR activities in accordance with the SUMCO CSR Policy. This year we identified the materialities to be tackled on a priority basis to solve social issues and enhance corporate value sustainably while responding to the needs of our stakeholders. Moving forward, we will drive efforts to ensure our materiality targets are achieved and disclose the implementation status and results.

Corporate Governance

The SUMCO Group endeavors to maintain fairness, efficiency and transparency in its management by further enhancing its corporate governance.

From March 2021, SUMCO adopted a Board of Directors structure comprising five directors who are not Audit and Supervisory Committee members (one of whom is an Independent Outside Director) and five directors who are Audit and Supervisory Committee Members (four of whom are Independent Outside Directors). This structure is designed to further enhance the framework for auditing and supervising corporate governance and business execution. Additionally, with the appointment of persons with diverse backgrounds as Independent Outside Directors, lively discussions contributing to SUMCO's sustainable growth and the enhancement of corporate value in the medium and long term are taking place in Board of Directors meetings.

Compliance

SUMCO has established and implement the SUMCO Charter, a code of conduct that all officers and employees must comply with.

The SUMCO Charter broadly covers various social norms that ought to be followed by companies, such as fair business activities and blocking relationships with anti-social forces, as well as compliance with laws and regulations.

Similar charters have been established by all companies in the SUMCO Group. Our Group-wide efforts will continue to ensure that our corporate activities are sound and in accordance with social norms.

Risk Management

The SUMCO Group has a global market share of approximately 30%. Since the Group supplies high-quality silicon wafers to major semiconductor manufacturers around the world, we see the stable supply of our products as our most critical management challenge and an important social responsibility.

In addition to managing risks to ensure stable supply, SUMCO takes steps to maintain and improve its business continuity plans across the entire supply chain.

Environmental Conservation Efforts

The production of silicon wafers requires a great deal of electricity, water and chemical substances. For this reason, the SUMCO Group has established environmental targets, and strives to reduce its use of each of these as well as the amount of industrial waste generated.

In April 2021, SUMCO declared our support to the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and in June 2021, we made disclosure in accordance with the TCFD framework.

The SUMCO Group also ensure the thorough management and handling of harmful chemical substances and waste, and make every effort to minimize the environmental risks resulting from our business activities.

We also ensure the thorough management and handling of harmful chemical substances and waste, and make every effort to minimize the environmental risks resulting from our business activities.

Health and Productivity Management

Based on a commitment to give top priority to the safety and health of our employees, we view their health as a critical management resource and have reinforced measures for health and productivity management since 2017.

In March 2021, continuing from last year, SUMCO and six SUMCO Group companies were certified under the large enterprise category of the 2021 Certified Health & Productivity Management Outstanding Organization Recognition Program (White 500).

The SUMCO Group aspires to promote various CSR activities while endeavoring to fulfill its social responsibilities to the stakeholders who support us by actively reflecting their views and wishes, which are grasped through various types of dialog with stakeholders, in our management activities.

Relationships with Stakeholders

SUMCO endeavors to fulfill its responsibilities to stakeholders, who support our business activities.



SUMCO Vision

SUMCO Strives to be an Excellent Company through the Combined Power of All its Employees

1. World's Best in Technology

SUMCO's technological capabilities and abilities to ensure stable supply of products has earned high praise from customers, and has been officially recognized by many semiconductor manufacturers with excellent supplier awards.

In December 2020, we received the Excellent Performance Award for the seventh consecutive year from Taiwan Semiconductor Manufacturing Co., Ltd. (TSMC), the world's largest foundry. We also received the Preferred Quality Supplier (PQS) Award. This is the 22nd time and 20th consecutive year that we receive prestigious awards from Intel, the world's top semiconductor manufacturer. Based on this strong recognition, we will continue to promote collaboration with our customers based on long-term commitment and mutual trust, and focus on further improving our technical capabilities.

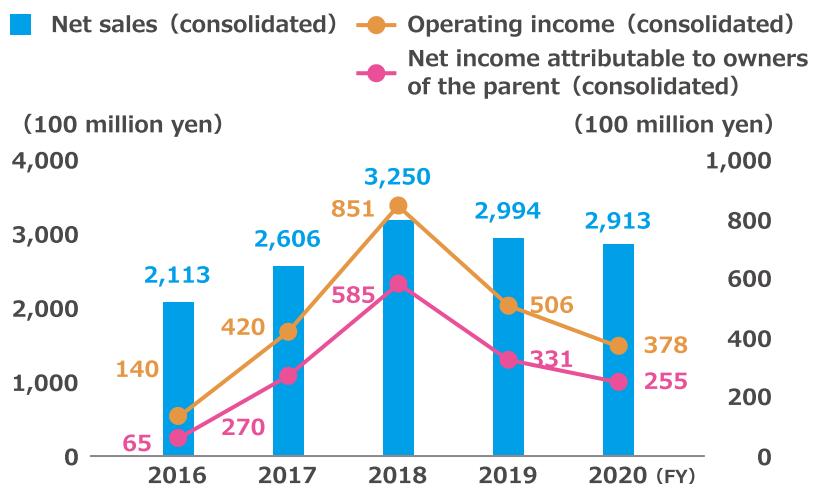


Excellent Performance Award from TSMC

2. Deficit-Resistant Even during Economic Downturns

The silicon wafer market is characterized by major short-term changes in its business environment. The SUMCO Group has been working to achieve a revenue structure that avoids deficits even during economic downturns, and we are striving to improve our earnings. Through continuous efforts in cost reduction, quality improvement and product differentiation from competitors, we will further strive to establish a corporate structure to ensure higher earnings.

Net sales/Operating income/Net income attributable to owners of the parent



3. Empower Employee Awareness of Profit

Rather than the chairman, president or executives, it is the employees that actually manufactures and sells our silicon wafers. All employees of the SUMCO Group share the SUMCO Vision, maintain an awareness of profit and cost, and work to identify and solve issues. To cultivate this awareness among employees, CEO & Chairman of the Board, Vice Chairman and COO & President visit each plant frequently to hold management briefings in order to share the management issues facing the Group in the current business environment change.

(In 2020, in consideration of COVID-19, presentations for all employees were streamed.)

We also recognize that without high levels of employee motivation, we will be unable to realize the SUMCO Vision of becoming "World's Best in Technology" and "Deficit-Resistant Even during Economic Downturns." The SUMCO Group works to boost employee motivation by establishing a variety of award systems to appropriately recognize and reward employees' efforts and achievements.

Moreover, with the aim of cultivating a workplace in which all employees can work comfortably, SUMCO has been pursuing initiatives to help employees strike a balance

between work and child-rearing. As part of these efforts, SUMCO has established various work styles allowing employees to utilize flexible working hours to reflect their childcare responsibilities, and has set up an in-house nursery school at the Kyushu Factory (Imari), our largest manufacturing site.



Business conditions briefing
(by Michiharu Takii, Vice Chairman)

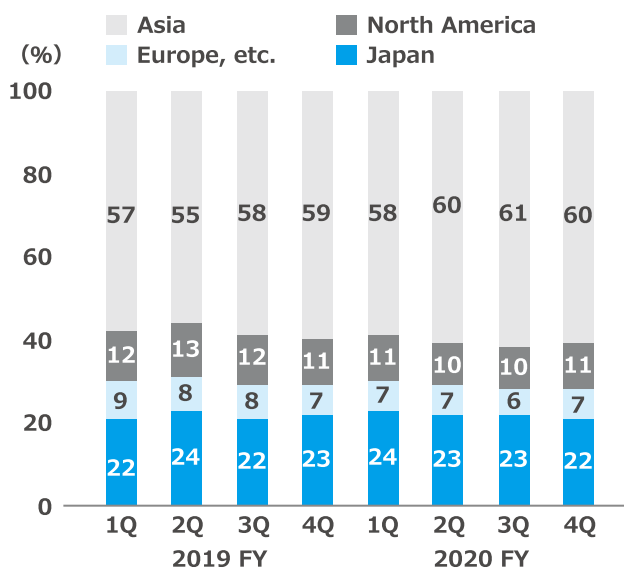


Employees of SUMCO Phoenix Corporation

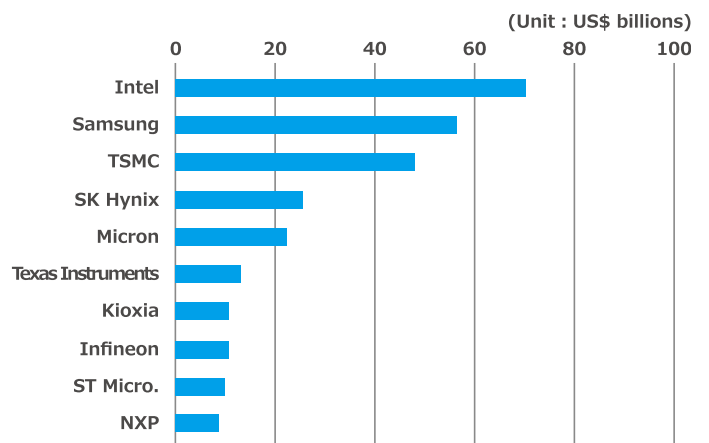
4. Competitiveness in Overseas Markets

In addition to Japan, the SUMCO Group has plants in the United States, Taiwan and Indonesia, as well as a network of sales offices in various parts of the world, allowing us to supply silicon wafers to semiconductor manufacturers around the world. Nearly 80% of our sales come from the overseas market and we are proud to count all of the top 10 global companies in semiconductor sales among the customers of the SUMCO Group. The solid and longstanding relationships of trust developed with these customers represent a significant advantage to the SUMCO Group, and to further reinforce this advantage, we actively cultivate talented global human resources regardless of nationality.

Sales composition by region



Global top 10 companies in semiconductor sales (2020)



* Excludes Fabless, includes Foundry

Created by SUMCO based on various sources and databases

► To ESG-oriented Investors

The SUMCO Group's Business Activities and the Sustainable Development Goals (SDGs)

Silicon wafer products from SUMCO are not seen first-hand in everyday life, but they are essential to the manufacturing of the semiconductor devices equipped in all manner of electronic products that enrich our lives.

To fulfill our responsibilities as one of the companies supporting social infrastructure, SUMCO utilizes the SDGs as indicators of the medium-to-long-term demands of the international community and makes every effort to realize a sustainable society.

Main Goals of the SDGs and SUMCO's Initiatives

SUSTAINABLE DEVELOPMENT GOALS



Contributing to the SDGs through our products

► SUMCO Products that Support Our Lives

Contributing to the digital infrastructure supporting our daily lives

Silicon wafers that serve as the basic materials for semiconductor devices used in a wide range of areas including communications equipment, automobiles, digital appliances, medical equipment and urban infrastructure



Creating innovation

Silicon wafers that support the miniaturization of semiconductors to usher in an era of industrial and technical innovation, and the utilization of big data, through IoT, AI and robots

Contributing to reduce traffic accidents

Silicon wafers for the automotive semiconductor devices supporting driver assistance systems such as self-driving and automatic braking



Contributing to make cities secure and safe

Silicon wafers for security cameras, communication network tools utilized in smart grid system and various IoT tools

Contributing to improved energy efficiency

Silicon wafers for power-saving devices



Contributing to curb greenhouse gas emissions

Silicon wafers for IGBTs which are utilized for electric vehicles (EV) and hybrid vehicles (HV, PHV)

Silicon wafers for power-management devices which are utilized for renewable energy generation system such as solar power and wind power.

Contributing to the SDGs through business processes

Promoting eco-friendly corporate activities

- ▶ Initiatives to combat global warming
- ▶ Initiatives to reduce waste
- ▶ Effective utilization of water resources
- ▶ Participation in local cleaning activities and environmental conservation initiatives
- ▶ Publication of an environmental report on the company website



Supporting the success of women in the workplace

- ▶ Establishing an in-house nursery school and improving the childcare allowance scheme, etc.
- ▶ Prohibiting discrimination on the basis of gender and clearly stating it in the SUMCO Charter



Promoting a safe and secure working environment

- ▶ Utilizing and developing a diverse range of human resources
- ▶ Initiatives aimed at safety, health and hygiene



Promoting compliance and fair business activities

- ▶ Initiatives to prevent bribery and other forms of corruption
- ▶ Implementing CSR procurement based on CSR Procurement Policy in the supply chain



Support activities for welfare institutions and other facilities

- ▶ Support for a vocational facility for people with disabilities
- ▶ Participation in emergency drills at welfare institutions



Support for education

- ▶ Interaction with local educational institutions
- ▶ Provision of programs
- ▶ Provision of scholarship programs




About the SDGs

SDGs, or the Sustainable Development Goals, refer to the goals laid at in "Agenda 2030", which was adopted at the "United Nations Sustainable Development Summit" in September 2015.

The SDGs comprise 17 goals and 169 targets to be achieved by the year 2030.

The goals and targets of the SDGs comprehensively deal with the various issues faced in the areas of the economy, industry and society. As the central figures of economic activities, companies are expected to play a key role as one of the main parties responsible for achieving the SDGs.

* To learn more about the SDGs, check the appropriate sections on the United Nations website, starting with the "[Sustainable Development Goals Knowledge Platform](#) ".

► To ESG-oriented Investors

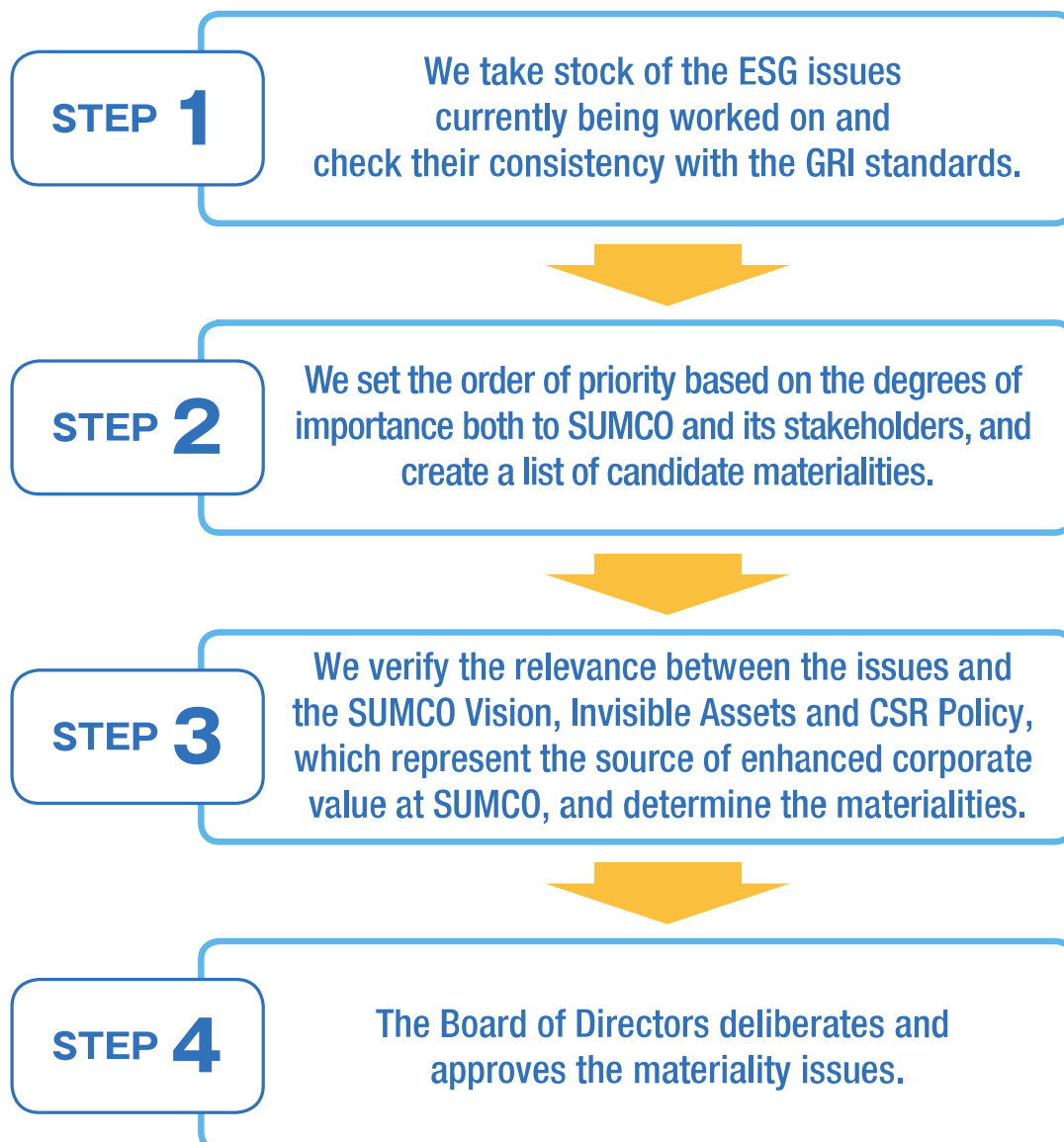
Materiality (Key Issues)

As materialities, SUMCO identifies those issues it will address on a priority basis to solve social issues and enhance corporate value in a sustainable manner while responding to demands from stakeholders.

A consensus has formed that companies should work to address global environmental (E), social (S) and governance (G) issues, and this is also met with rising expectations from investors. Having grasped these social changes, SUMCO proceeded with steps in the identification process and identified ten issues.

Moving forward, SUMCO will work to ensure promotion with the aim of achieving the materiality goals while disclosing the implementation status and results to stakeholders.

The Materiality Identification Process



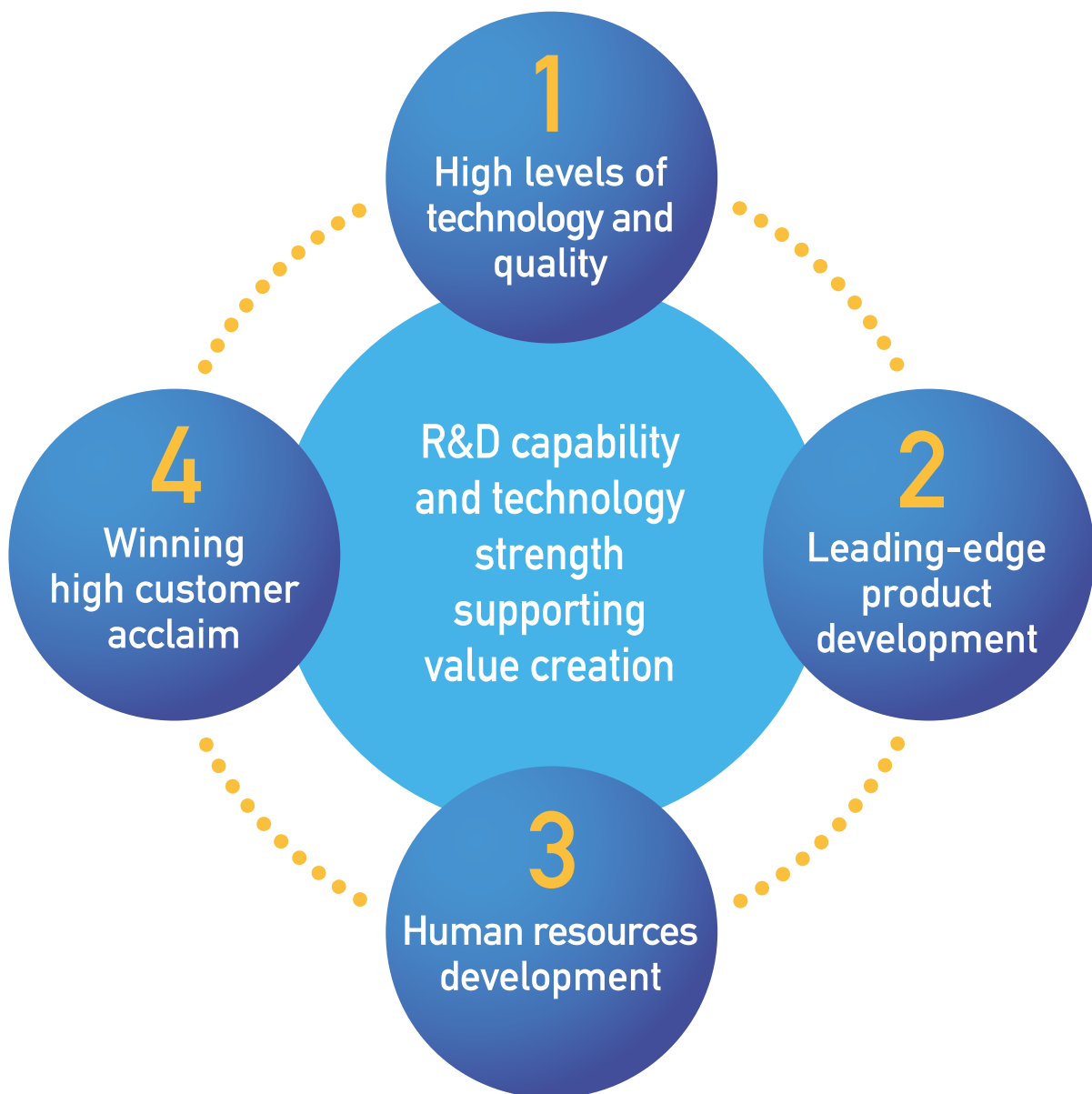
SUMCO Vision

1 World's Best in Technology

2 Deficit-Resistant Even during Economic Downturns

3 Empower Employee Awareness of Profit

4 Competitiveness in Overseas Markets



Intangible Assets

SUMCO Materiality

Environmental (E)

Social (S)

Governance (G)

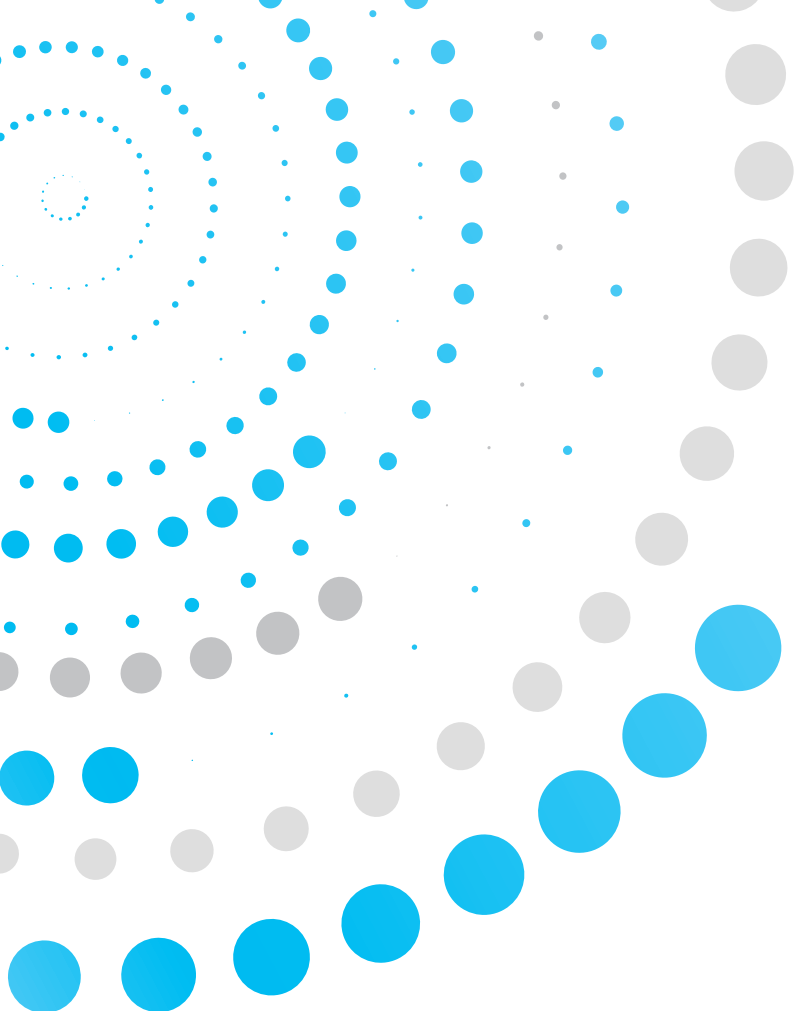
	Materiality	Material Issue Themes	Reasons for Identification
E	Combatting Global Warming	Reduction of CO ₂ emissions	Reducing the environmental impact in our business activities is a corporate responsibility for the future.
	Resource Conservation Activities	Effective utilization of water resources	To ensure that our irreplaceable global environment is passed on to the next generation, the SUMCO Group has developed an environmental management system and obtained ISO 14001 certification for all of its plants. We also conduct environmentally friendly production activities including the prevention of global warming, the effective utilization of water resources and the reduction of waste and emissions.
	Contributing to the creation of a recycling-oriented society	Waste management	To prevent global warming, we have set and are working on the long-term goal of reducing CO ₂ emissions by 14.9% by 2030 (compared with 2014 levels).
S	Health, hygiene and safety Initiatives	Prevention of occupational accidents	Under the principle that "the safety and health of employees take the highest priority over all," the SUMCO Group is committed to "creating a safe and pleasant workplace environment supporting good mental and physical health" through active communication in which all parties participate.
		Maintenance of health and productivity management	On safety, we work to maintain and improve our occupational safety management system with the aim of creating a safe workplace free from occupational accidents, and with regard to health management, activities are focused on the three issues of mental health, smoking cessation and lifestyle habits.
	Human resources development	Enhancement of training	To be the "World's Best in Technology" and "Empower Employee Awareness of Profit" as declared in the SUMCO vision, we will continue to invest in human resources and make enhancements to our career development program. We will enhance training opportunities with a multi-faceted approach that covers everyone from new employees to managers and officers.

	Materiality	Material Issue Themes	Reasons for Identification
S	R&D and technological capabilities supporting customer value creation	Contributions as a development partner	<p>The source of enhanced corporate value is R&D and technological capabilities that support customer value creation through our "invisible assets," and as a development partner to customers, SUMCO enjoys a high global market share in cutting-edge products.</p> <p>Moreover, we will contribute to the achievement of the SDGs, which are social issues affecting the entire world, by supporting advances in semiconductors.</p>
		Increasing customer satisfaction	<p>To continually maintain our "first call" status as a company, we value close communication with customers.</p> <p>By quickly providing customers with the products that meet their needs while continuing with performance checks and follow-ups, we build robust relationships of trust.</p> <p>We analyze the information customers provide through QCDS (quality, cost, delivery and service) evaluations, share the insights with management and relevant departments, direct what we have learned into improvement activities and strive to improve customer satisfaction levels.</p>
	Promoting CSR procurement and mitigating procurement risks	Promoting firm establishment of the CSR Procurement Policy	<p>We believe it is important to share CSR-related societal demands with our suppliers and jointly tackle issues in the supply chain such as human rights, labor, safety, the environment and ethics.</p> <p>We share the SUMCO CSR Procurement Policy with suppliers through briefing sessions, audits and other activities, and promote responsible procurement activities.</p>
		Strengthening BCP in materials procurement	<p>Supply chain risk management is an important issue and a theme to which customers also have high levels of interest.</p> <p>SUMCO secures appropriate levels of inventory in line with risks, pursues advance preparations such as ensuring multiple procurement sources under normal circumstances, and has established the necessary systems to minimize the impacts on production in the event of a disaster or accident.</p>
	Communication with shareholders and investors	Enhancement of IR activities	<p>We fully recognize that the timely and appropriate disclosure of corporate information to investors forms the basis of a sound stock market and have adopted the basic policy of continually ensuring the prompt, accurate and fair disclosure of corporate information from the perspective of investors.</p> <p>We proactively disclose any information that is beneficial to investment decisions, such as medium-to-long-term demand forecasts for the silicon wafer market based on end product demand forecasts.</p>

	Materiality	Material Issue Themes	Reasons for Identification
G	Enhancing risk management	Initiatives to develop BCP	<p>The silicon wafer business is a critical industry supporting an IT-based society, and the SUMCO Group is responsible for ensuring the stable supply of silicon wafers to the world's semiconductor device manufacturers.</p> <p>The Business Security Committee (BSC), which is an organization responsible for risk management, promotes risk management activities while working to improve business continuity and the ability to respond in an emergency through periodic training.</p>
	Promoting compliance	Ongoing enhancement of compliance awareness	<p>Ensuring compliance with laws, regulations and social norms to be observed forms the basis for SUMCO fulfilling its social responsibilities and is also essential for the sustainable growth of corporate value.</p> <p>Training on topics including the SUMCO Charter of Corporate Conduct, which prescribes the norms to be observed by employees, is conducted regularly for all employees as part of ongoing efforts to strengthen awareness of compliance.</p>

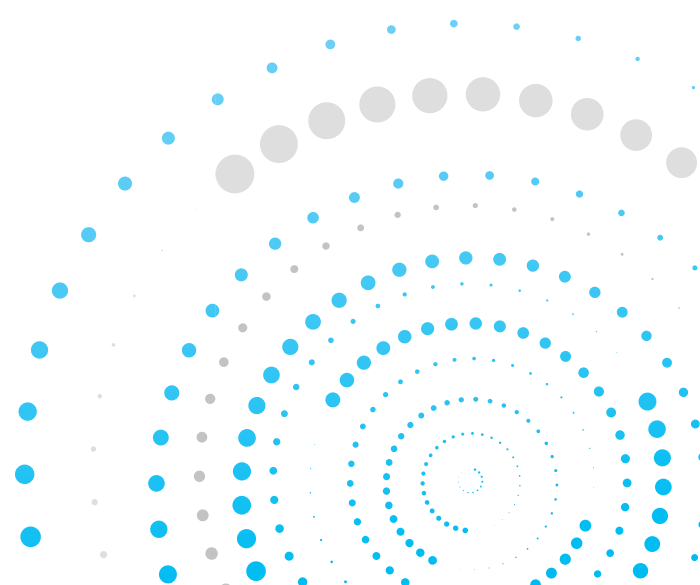
SUMCO Materiality Targets

	Materiality	Material Issue Themes	Targets
E	Combatting Global Warming	Reduction of CO ₂ emissions	By 2030, reduce CO ₂ emissions (Scope 1+2) per unit by 14.9% compared with 2014 levels (average reduction of 1% every year)
	Resource Conservation Activities	Effective utilization of water resources	High and stable water recycling rate
	Contributing to the creation of a recycling-oriented society	Waste management	Conversion of waste into valuable resources and improved recycling rate
S	Health, hygiene and safety Initiatives	Prevention of occupational accidents	Accident frequency rate of 0.2 or lower
		Maintenance of health and productivity management	Maintaining certification in the Health & Productivity Management Outstanding Organization Recognition Program (White 500)
	Human resources development	Enhancement of training	Increasing training time compared with the previous year by utilizing web-based training
	R&D and technological capabilities supporting customer value creation	Contributions as a development partner	Maintaining a worldwide share or over 50% in cutting-edge fields
		Increasing customer satisfaction	Maintaining high evaluation with the leading customer satisfaction score
	Promoting CSR procurement and mitigating procurement risks	Promoting firm establishment of the CSR Procurement Policy	Holding briefing sessions for suppliers and conducting CSR audits
		Strengthening BCP in materials procurement	Continuing to maintain multiple procurement sources and implementing supplier safety training
	Communication with shareholders and investors	Enhancement of IR activities	Maintaining the number of IR activities for investors
G	Enhancing risk management	Initiatives to develop BCP	Implementing BCP training
	Promoting compliance	Ongoing enhancement of compliance awareness	Implementing compliance education



Governance

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Corporate Governance

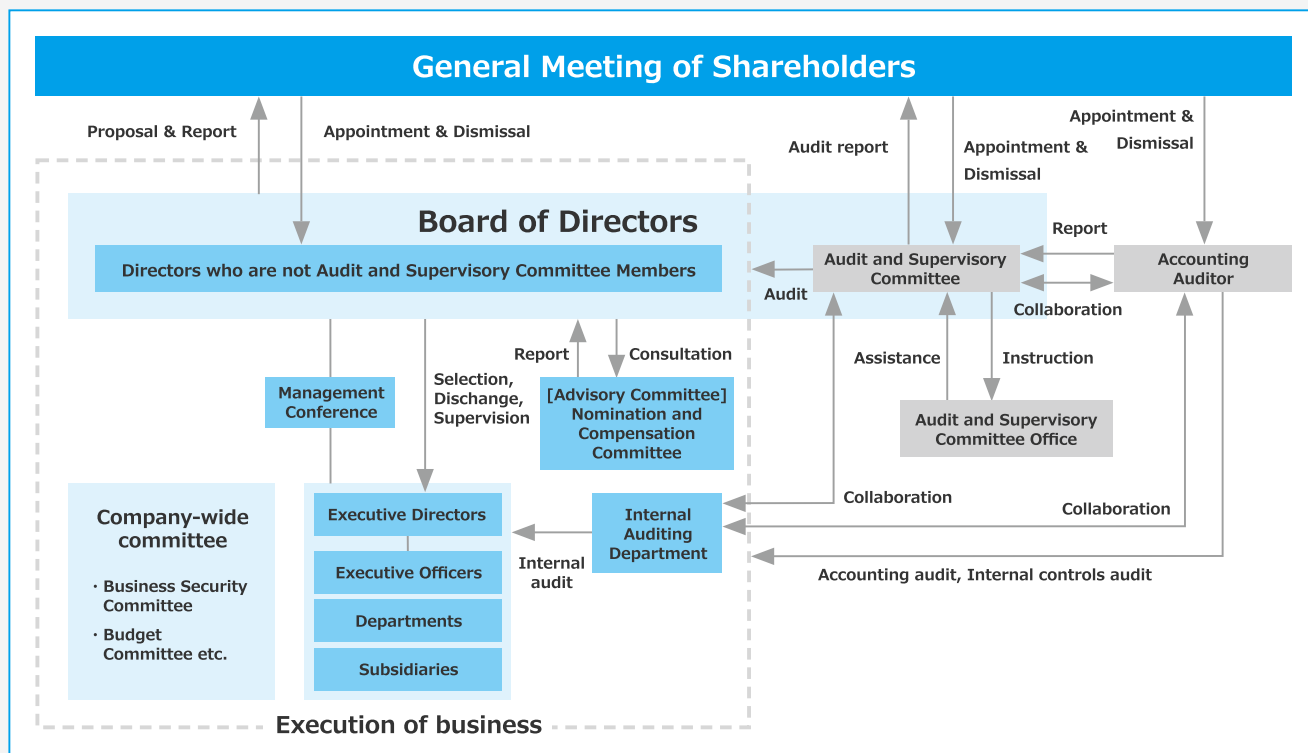
Why SUMCO Tackles Corporate Governance

SUMCO recognizes that it is a critical management challenge to fulfill its mandate from shareholders by achieving sustainable growth and improving corporate value in the medium-to-long-term, while building and maintaining positive relationships with other stakeholders. Based on this recognition, SUMCO pursues a range of measures related to corporate governance, such as reinforcing the auditing and supervisory functions of the Board of Directors, ensuring efficiency in how directors execute their duties and improving internal controls within the SUMCO Group, in order to achieve swift management decision-making and to ensure transparency and fairness in the execution of business.

Basic Stance on Corporate Governance Structure

SUMCO is organized as a company with an Audit and Supervisory Committee. By adopting this system, the effectiveness of supervision and auditing has been enhanced through audits conducted by Directors who are Audit and Supervisory Committee Members and have voting rights at Board of Directors meetings. In addition, the effectiveness of internal controls has been enhanced through audits conducted in cooperation with the Internal Audit Department.

Corporate Governance Structure



Board of Directors

SUMCO's Board of Directors comprises internal directors with a proven record of performance in their respective areas of responsibility and outstanding management abilities, along with Outside Directors with expert knowledge and extensive experience, based on the basic stance of the Company to ensure an overall balance and diversity in knowledge, experience and capabilities of the directors. The Board of Directors comprises five directors (except for directors who are Audit & Supervisory Committee Members; one of whom is an Independent Outside Director) and five directors who are members of the Audit & Supervisory Committee (four of whom are Independent Outside Directors). In accordance with legal statutes, the Articles of Incorporation and the Rules of the Board of Directors, the Board of Directors makes decisions on management strategy, management plans, and other such important matters relating to business. It receives reports from every Director on the status of the execution of duties and it exercises supervision of compliance, internal controls, risk management, and important business execution at affiliated companies. With the participation of Independent Outside Directors, the Board of Directors also engages in the free exchange of opinions regarding the appropriate evaluation of company performance and related matters, and reflects that evaluation in the personnel administration of senior management members.

It is also our basic company policy that matters relating to financial results and so on, matters relating to management plans, and the execution of other such important operations should be decided after adequate discussion by the Board of Directors, including the Independent Outside Directors. For this reason, the Articles of Incorporation do not stipulate that decisions on the execution of important business can be delegated to each Director.

The effectiveness of the Board of Directors is evaluated each year in order to continually enhance the effectiveness of corporate governance.

In fiscal year 2020, the Board of Directors met 16 times to discuss important matters concerning management, address issues identified in the Board of Directors effectiveness evaluation conducted in the previous fiscal year, and discuss the compensation policy and method for determining compensation of Directors (except for Directors who are Members of the Audit & Supervisory Committee) and the amount of compensation for individuals.

Directors

Director(*1) Chairman of the Board	Mayuki Hashimoto
Director(*1)	Michiharu Takii
Director(*1)	Hisashi Furuya
Director(*1)	Kazuo Hiramoto
Director(*2)	Akane Kato
Director, Full-time Audit and Supervisory Committee member	Fumio Inoue
Director(*2), Audit and Supervisory Committee member	Hitoshi Tanaka
Director(*2), Audit and Supervisory Committee member	Masahiro Mitomi
Director(*2), Audit and Supervisory Committee member	Shinichiro Ota
Director(*2), Audit and Supervisory Committee member	Akio Fuwa

(*1) Representative Director

(*2) Independent Outside Director

Independent Outside Directors

SUMCO has appointed five Independent Outside Directors. One is a person with expert knowledge of human resource development and organizational operation as well as experience in corporate management; one is an attorney; one is a certified public accountant and management consultant who has considerable knowledge and experience in finance and accounting; one is a person with wide experience and knowledge cultivated through experience in the public sector as well as many years of experience in corporate management; and one is a person with knowledge as an expert in the field of metallic materials research and experience cultivated through years of working as a university professor.

Each Outside director satisfies SUMCO's "Criteria of Independence" established in accordance with Tokyo Stock Exchange standards on the independence of independent directors, and has been verified to be free of potential conflicts of interest with general shareholders.

In an effort to ensure the sustained growth of the SUMCO Group and increase its corporate value over the medium-to-long-term, the Independent Outside Directors provide advice on important matters related to management based on their own individual knowledge and take the perspective of minority shareholders and other stakeholders in supervising management. They participate in the appointment of candidates for Director and other important decision-making by the Board of Directors, and supervise business execution by the Board of Directors, senior management and others as well as conflicts of interest between the Company and senior management and others.

Audit and Supervisory Committee

The Company's Audit and Supervisory Committee is made up of five directors who are Audit and Supervisory Committee Members (four, a majority, of whom are Independent Outside Directors). In order to ensure the effectiveness of Audit and Supervisory Committee activities, permanent Audit and Supervisory Committee Members are put in place by mutual voting among Audit and Supervisory Committee Members. In addition, it is the Company's basic policy to take steps to ensure that at least one Audit and Supervisory Committee Member has considerable knowledge and experience pertaining to finance and accounting. Currently, this is Mr. Masahiro Mitomi, who is also a certified public accountant. Additionally, the Company has established the Audit and Supervisory Committee Office and assigns staff to support the activities of the Committee and facilitate the smooth performance of its audit and supervisory functions.

The Audit and Supervisory Committee exercises its statutory right of investigation and audits the Directors' execution of their duties from the viewpoints of appropriateness and conformance with laws and regulations and the Articles of Incorporation by inspecting and confirming the status of compliance with laws and regulations, Articles of Incorporation, and so on, and by monitoring and otherwise supervising the development of and operational status of the system of internal controls, including the internal control of financial reporting.

Nomination and Remuneration Committee

In an effort to further enhance its corporate governance, SUMCO has established a Nomination and Compensation Committee composed of two Representative Directors (Directors Mayuki Hashimoto and Michiharu Takii) and two Independent Outside Directors (Directors Hitoshi Tanaka and Masahiro Mitomi) to serve as a discretionary advisory body for the Board of Directors. The Nomination and Compensation Committee receives requests from the Board of Directors for advice on the process for selection of candidate directors of the Company, their qualifications, the reasons for their designation as candidates, the structure of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) and Executive Officers, and related matters. The committee deliberates on the appropriateness and other aspects of the matter referred and, also taking evaluations of the Company's performance into account, delivers its advice. The Board of Directors, receiving the findings of the Nomination and Compensation Committee, designates candidate Directors, and decides on the remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) and related matters.

The Nomination and Compensation Committee convened three times in fiscal year 2020, with full attendance each time. The main activities undertaken by the Nomination and Compensation Committee are as follows:

- Deliberation over the selection of candidate Directors and personnel matters concerning Executive Officers
- Deliberation over the systems for compensation of Directors (excluding directors who are Audit and Supervisory Committee Members) and Executive Officers
- Deliberation concerning the individual compensation amounts of Directors (excluding Directors who are Audit and Supervisory Committee Members)

Message from an Outside Director

Outside Director

Akane Kato

Nov. 1984 Joined ALL NIPPON AIRWAYS CO., LTD.

Jul. 1994 Instructor, Inflight Services Training Dept., Inflight Services Center, ALL NIPPON AIRWAYS CO., LTD.

Jul. 2007 Chief, Training Div., ANA Learning Co., Ltd. (the current ANA Business Solutions Co., Ltd.)

Apr. 2012 Manager of VIP Service Dept., Tokyo Airport Branch, ALL NIPPON AIRWAYS CO., LTD. (the current ANA AIRPORTSERVICES CO., LTD.)

Jul. 2014 Representative Director of AKANE IDENTITIES INC. (present post)

Jun. 2016 Outside Director of SAN-EI Corporation (present post)

Apr. 2018 Part-time Lecturer of Toho College of Music (present post)

Aug. 2019 Registered as a Career Consultant

Mar. 2020 Outside Director of the Company (present post)



Fiscal year 2020, when I was appointed as an outside director, began in an unprecedented environment in which the first priority was preventing COVID-19 infection. With the effects of the pandemic continuing to this day, causing many kinds of uncertainty in the global economy, employment, and livelihood itself, the semiconductor industry has an important role to play in supporting the “new normal” that life has become.

SUMCO moved quickly to ready the Company for the pandemic. In my judgment, the management has united to maximize leading-edge product development, production, and profitability, steering the Company toward sustainable administration. In such ways the Company is very much oriented toward the goal in the SUMCO Vision of becoming Deficit-Resistant Even during Economic Downturns.

At the same time, a close eye needs to be kept on trends in M&A involving the world’s silicon wafer manufacturing companies, and the rapid advance of technology innovation. To continue building a greater competitive advantage, fulfilling the role of the World’s Best in Technology, management and front-line employees will need to redouble their efforts in close coordination. During the current fiscal year as well, with the aim of further growth toward Empower Employee Awareness of Profit on the foundation of mutual understanding, accepting of diverse work styles and values, I would like to fulfill my role of passing along the voices of stakeholders.

Message from an Outside Director

Outside Director

Hitoshi Tanaka

Apr. 1976 Registered as Attorney at Law Joined
Narutomi Law Office (the current Marunouchi Minami Law Office)
Oct. 2003 Representative of Narutomi Law Office (present post)
Apr. 2005 Outside Corporate Auditor of the Company



Owing to the COVID-19 pandemic, many meetings including those of the Board of Directors have had to be held online. With online meetings, if the main screen is used to show materials, the expressions of the speakers and participants are not readily made out; and if faces are shown instead, the materials cannot be seen, making for an inconvenient situation. In face-to-face meetings, mutual understanding is facilitated by being able not only to understand what is said, but to pay attention to the expressions on the faces of meeting participants and to their body language.

Efforts are being made to reduce the inconvenience of online meetings to a certain extent, such as by being sure to send and examine materials in advance and making it easier to discern the expressions of participants on the screen. To help overcome the deficiency in mutual understanding from not being able to hold face-to-face meetings, monthly sessions are held for explanations by senior management to outside directors on Company issues and questions raised by outside directors, ensuring that candid exchanges of views take place. These sessions are not only useful for communicating views, but are excellent opportunities for outside directors to learn about the Company's situation, and I believe are highly effective in helping us to fulfill our role.

It is my hope that as the number of COVID-19 cases declines and the vaccination program is rolled out, the Company will be better able to carry out its business. For my part, I will be watching these developments carefully.

Board of Directors/Audit & Supervisory Committee Meetings in Fiscal Year 2020

Board of Directors

Name	Times Attended/ Times Held	Attendance
Mayuki Hashimoto	16/16	100%
Michiharu Takii	16/16	100%
Hisashi Furuya	16/16	100%
Kazuo Hiramoto	16/16	100%
Akane Kato ^(*)	13/13	100%
Hiroshi Yoshikawa	16/16	100%
Atsuro Fujii	13/13	100%
Hitoshi Tanaka ^(*)	16/16	100%
Masahiro Mitomi ^(*)	16/16	100%
Shinichiro Ota ^(*)	16/16	100%
Akio Fuwa ^(*)	16/16	100%

Audit & Supervisory Committee

Name	Times Attended/ Times Held	Attendance
Hiroshi Yoshikawa	13/13	100%
Atsuro Fujii	10/10	100%
Hitoshi Tanaka ^(*)	13/13	100%
Masahiro Mitomi ^(*)	13/13	100%
Shinichiro Ota ^(*)	13/13	100%
Akio Fuwa ^(*)	13/13	100%

(*) Independent Outside Director

Executive Remuneration

Matters regarding policy regarding amounts of remuneration and other payments to officers and determination of calculation method

Details of the Remuneration Policy

The Company employs a system where the remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members and Non-executive Directors) are determined with a view to encouraging them to contribute to the improvement of business results and the enhancement of corporate value. Remuneration for the Directors are within the total amount determined by resolution of the General Meeting of Shareholders, and comprises a fixed remuneration level based on their office and rank, and a factor linked to the Company's most recent business results. The Company regularly reviews the remuneration level to reflect the long-term performance. The Company has not adopted a system of using its stock as a payment of remuneration for Directors, but pursues management that seeks to urge the Directors to contribute to the improvement of business results and enhancement of the corporate value over the medium- to long-term by encouraging the acquisition and holding of the Company's stocks through the Officers Shareholding Association. SUMCO has judged that it is appropriate to use the semi-annual net-income attributable to owners of the parent as an index for remuneration linked to the Company's business results and finalizes the amount in accordance with the calculation method and taking into account the individual assessment. The results of the index pertaining to results-linked remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members) for fiscal year 2020 are 16,821 million yen in total for the first and second quarters and 8,683 million yen for the third and fourth quarters. The Directors who are Audit and Supervisory Committee Members receive only a fixed remuneration from the perspective of ensuring the appropriate conduct of their duties such as auditing and the supervision of the execution of business operations. The remuneration is determined through deliberations of the Audit and Supervisory Committee Members within the total amount determined by resolution of the General Meeting of Shareholders, and takes into account the role and duties of each such director and whether he or she is a full-time or part-time member.

Remuneration Determination Process

The amounts of remuneration and other payments to Directors (excluding Directors who are Audit and Supervisory Committee Members) and their calculation methods are discussed by the Nomination and Compensation Committee comprising two representative directors and two independent outside directors and finalized with the resolution by the Board of Directors. The Nomination and Compensation Committee, in response to the consultations by the Board of Directors, discusses the appropriateness of the compensation structure, etc. of the Company's directors and submits a report to the Board of Directors also taking into consideration an evaluation of the Company's business results. Upon receiving the report from the Nomination and Compensation Committee, the Board of Directors determines remuneration and other payments to Directors (excluding Directors who are Audit and Supervisory Committee Members).

In fiscal year 2020, after discussions and considerations by the three Nomination and Compensation Committee meetings in accordance with the above procedures, the Board of Directors meeting held on April 28, 2020 resolved on the policy and determination method of remuneration and other payments to directors as recommended by the Nomination and Compensation Committee, and the Board of Directors meetings held on June 30 and December 25 approved the individual amounts taking into consideration the semi-annual business results.

Amount of remuneration in the recent fiscal year (disclosure by officer category)

Remuneration for Directors for fiscal year 2020

Officer category	Number of officers	Total amount of remuneration and other payments by type (thousands of yen)		Total amount of remuneration and other payments (thousands of yen)
		Basic remuneration	Results-linked remuneration	
Directors [excluding Directors who are Audit and Supervisory Committee Members] (of which, Outside Directors)	5 (1)	250,494 (7,200)	40,348 (-)	290,842 (7,200)
Directors who are Audit and Supervisory Committee Members (of which, Outside Directors)	6 (4)	86,532 (38,400)	- (-)	86,532 (38,400)
Total (of which, Outside Directors)	11 (5)	337,026 (45,600)	40,348 (-)	377,374 (45,600)

(Notes)

1. The upper limit of the total remuneration for all directors (excluding Directors who are Audit and Supervisory Committee Members) is 460 million yen annually (excluding employee salary) pursuant to the resolution at the 17th Ordinary General Meeting of Shareholders held on March 29, 2016.
2. The upper limit of the total remuneration for all Directors who are Audit and Supervisory Committee Members is 110 million yen annually pursuant to the resolution at the 17th Ordinary General Meeting of Shareholders held on March 29, 2016.
3. As of the end of fiscal year 2020, there were five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members) and six (6) Directors who are Audit and Supervisory Committee Members.

▶ To ESG-oriented Investors

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.

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 Group aims to make the SUMCO Charter of Corporate Conduct understood throughout the Group by preparing it in languages understandable to employees at Group companies overseas, keeping it available on the corporate intranet at all times, and providing education on the SUMCO Charter of Corporate Conduct to all employees on a 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, prohibition of unfair competition and improper transactions, comprehensive anti-corruption measures such as prohibiting any wrongful provision of profits to public servants and other officials, and prevention of insider trading.

To promote fair business practice and prevent corruption in particular, 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 also requires employees to avoid these behaviors when engaging brokers and other agents.

SUMCO makes the Regulations on Handling the Grant of Benefits available at all times on the corporate intranet, and seeks to ensure all employees are fully aware of our policies on promoting fair business practices and preventing corruption. 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.

Also note that to date, the SUMCO Group has not paid any fines or made any facilitation payments stemming from political contributions or corruption, nor has the Group been penalized in any way relating to corruption.

Internal Reporting System

SUMCO has introduced an internal reporting hotline which is available to all employees for reporting any act in violation of the SUMCO Charter of Corporate Conduct, including conduct in violation of laws and ordinances, human rights infringements and harassment, comprehensive corruptive act such as bribery and unfair competition, and improper transactions.

To ensure that employees can make reports with peace of mind, we have set up an in-house and external (attorney) contact points for internal reports as well as a "suggestion box" that goes straight to top management. 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 suchlike. 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**
We strive to cultivate a comfortable and appropriate workplace by advancing safety and health in accordance with labor standards in Japan and overseas. In an effort to respect the human rights, abilities and individuality of all employees, we also strictly prohibit discrimination on the basis of unreasonable factors including nationality, race, age, gender and religion, as well as 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 specifies proper information storage and management as well as prevention of leakage, 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.

Risk Management

Why SUMCO Addresses Risk Management

The Silicon wafer business is a critical industry that supports our IT-oriented society, and the SUMCO Group is responsible for the stable supply of silicon wafers to semiconductor device manufacturers around the world. For this reason, the SUMCO Group regards business continuity as a key management concern.

The Business Security Committee (BSC), which is an organization responsible for company-wide risk management, identifies, analyzes and assesses risks, implements countermeasures and promotes risk management activities including the formulation of business continuity plans (BCP), with the aim of predicting risks in advance, preventing them from being realized and minimizing damages when a risk is realized.

Risk Management Basic Policy

SUMCO has set forth basic matters pertaining to risk management in the Basic Rules on Risk Management, under which we undertake risk management activities.

Our basic approach to responding to risks involves the following two points.

1. Prioritize the handling of risks by likelihood of occurrence and severity of impact from the viewpoints of ensuring optimum allocation of management resources and the effectiveness of risk management.
2. Minimize damage and loss by preventing the suspension or discontinuation of business activities to ensure business continuity in the event of an accident or other emergency situation.

SUMCO's Risk Management Framework

1. Risk Assumptions and Identifying Risk

SUMCO analyzes risks that could impact business continuity for SUMCO's departments, plants, offices, and SUMCO Group companies, identifies the level of impact for each risk, and assigns priority to each risk in accordance with the Basic Rules on Risk Management mentioned above. Risks which pose a major threat to business continuity are defined in the Basic Rules on Risk Management. When taking on a new business as well, we use a same process to analyze business risk and assign priority.

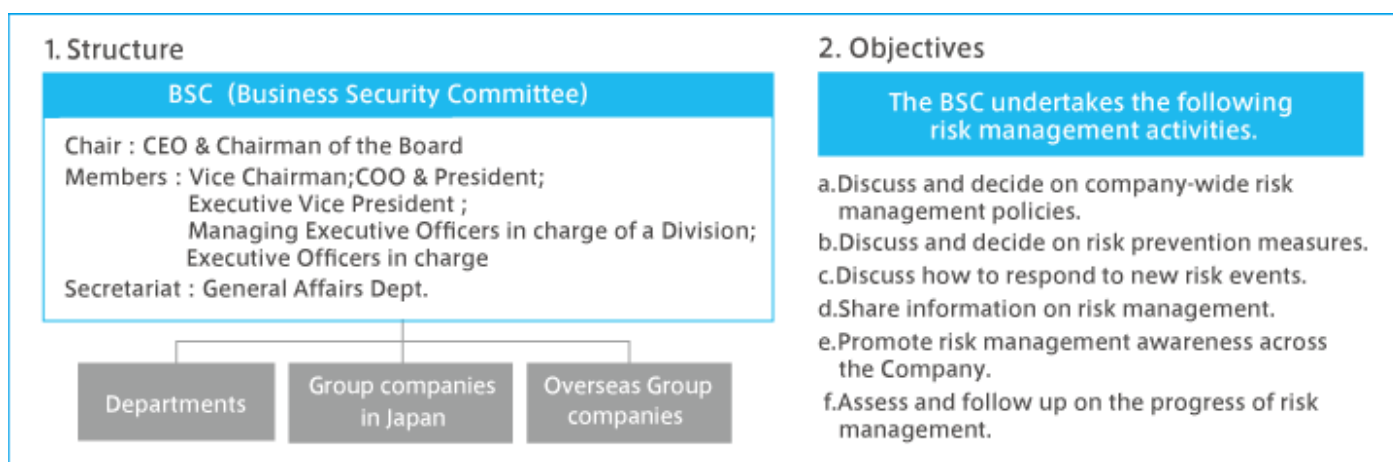
Major Risks Recognized in the Basic Rules on Risk Management

1. Risks Related to General Management
Examples: Contractual disputes, investment in new businesses
2. Risks Related to Accidents and Disasters
Examples: Earthquakes, wind and flood damage, water and electric power service interruptions
3. Risks Related to Discontinuation of Business
Examples: Fire, equipment accidents, production impediments, disruptions to raw material procurement
4. Risks Related to Compliance
Examples: Antitrust violations, violations of laws related to corruption and anti-corruption, violations of employment and labor standards-related laws and ordinances, violations of environmental regulations
5. Risks Related to Information
Examples: Leaking of trade secrets, network shutdowns
6. Risks Related to Intellectual Property
Examples: Infringing upon intellectual property rights or suffering infringement
7. Risks Related to Human Resources, Employment, and Human Rights
Examples: Labor issues, human rights violations, harassment, occurrence of scandals, crimes and other incidents
8. Risks Related to Taxation and Accounting
Examples: Funding impediments, rapid exchange rate fluctuations
9. Risks Related to Products and Services
Examples: Quality issues, complaints
10. Risks Related to Safety and Health
Examples: Industrial accidents, outbreak of infectious disease
11. Risks Related to the Environment
Examples: Pollution, environmental accidents
12. Risks Related to Credit
Example: Bankruptcy of a customer

2. Determining Policy with regards to Risk Countermeasures and Reporting the Status of Such Countermeasures

Responsibility for each risk is allocated between departments according to the priority established in (1) above, and the policy on risk countermeasures is determined via discussion within a company-wide committee known as the BSC (Business Security Committee). The BSC meets every year, with not only the Chairman/CEO and other senior management in attendance, but also responsible members of each department, factory, plant and group companies worldwide. It decides company-wide policy regarding risk management, deliberates and determines risk prevention measures, discusses responses on cross-department risks and new risk phenomenon and exchanges a broad range of information about risk management in general.

BSC's Structure and Objectives



3. Response to Each Risk

Each department, factory, plant, and SUMCO Group company responds to risk in accordance with the policy confirmed by the BSC, creates a business continuity plan (BCP; described later) and other necessary frameworks, and implements training and other regimens designed to improve response in emergency situations. In this way, we strive to prevent risks from manifesting, minimize damage and strengthen business continuity. The status of risk countermeasures is reported to the BSC mentioned above each year and reviewed by the senior management.

Ensuring Business Continuity

Our Basic Rules on Risk Management define business continuity as an important management issue, and we have been working to develop and improve our BCP (business continuity plan) to ensure business continuity.

The details of the BCP, and its state of improvements, the results of trainings and drills, and other matters are reported on the BSC, and the BSC verifies the effectiveness of the BCP, and determines policies on future action to be taken. Each department and group company improves the BCP further according to the policies.

In 2020, we confirmed procedures to transfer head office operations elsewhere, the implementation status of drills and exercises carried out by each department and issues to be addressed in the future based on the assumption of a large-scale earthquake beneath the Tokyo metropolitan area which leads the disfunction of Tokyo Head Office. These efforts were part of activities to further enhance the BCP readiness of the head office.

In addition, we also regularly conduct integrated emergency response drills at each plant, which include activities such as evacuation, firefighting, reporting, rescue, emergency relief and transportation in the event of a disaster such as an earthquake. Continuous improvements are made by identifying issues and reviewing procedures and other details after conducting the drills. We also make efforts to stockpile the materials and equipment needed to ensure that production can be swiftly resumed in the event of a disaster.



Integrated Emergency Response Drill



Integrated Emergency Response Drill

Improvement in Emergency Response Capability

The SUMCO Group has established a manual to enable speedy response, ensure employee safety, protect company assets and restart business operations as soon as possible in the event of a large-scale earthquake or other disaster/accident. The manual sets out items concerning the preparation of stockpiles for disaster prevention, the initial response to be taken at each site after a disaster has struck, as well as the establishment and roles of an Emergency Response Team in the event of an emergency. Additionally, we regularly conduct initial firefighting drills such as the handling of fire extinguishers and fire hydrants, and training on the employment of lifesaving measures such as CPR and AED usage, in order to reduce damage in the event of a disaster. We also conduct exercises such as carrying drills using cloth stretchers to simulate an evacuation by stairs to further enhance employees' ability to respond in an emergency.

Additionally, at our Kyushu Factory we periodically conduct joint response drills with suppliers that deliver chemicals to our sites so that all involved can take safe and smooth action in the event of a leakage of chemicals during delivery.



First Aid Drill



Lifesaving Training

Information Management

The Company understands the importance of information in business operations and clearly stipulates the appropriate use and management of trade secrets and all other information in the SUMCO Charter of Corporate Conduct. We have also established the Rules on Information Management along with related regulations, guidelines and other materials. We make every effort to appropriately manage and prevent leaks of our trade secrets and confidential information received from customers, suppliers and other parties by conducting regular training for all employees on these information management rules and information security.

In an effort to prevent computer system-related leaks and stop information from leaking outside the Company, the SUMCO also implements a range of measures to address various risks, such as external attacks on our computer systems via the internet, the unauthorized use of computer systems and viruses that target computer systems.

Additionally, SUMCO has established the Rules on Personal Information Management in accordance with the Act on the Protection of Personal Information to ensure that personal information is managed appropriately.

Safety Confirmation System

The SUMCO Group has introduced a "Safety Confirmation System" which enables quick conformation of the safety status of employees working in Japan. We think the system also helps speed up post-disaster recovery efforts.

Computer System-related Disaster Countermeasures

The Company has ensured redundancy for mission-critical and peripheral systems used on a company-wide basis, establishes equivalent backup servers and performs data synchronization in order to continue business operation even in the event that a server installation location is damaged by a large-scale disaster such as a major earthquake.

We conduct regular drills on switching to backup servers to confirm our switchover procedures and other details.

Measures to Prevent COVID-19 Infections

Referencing infection prevention guidelines from the Ministry of Health, Labour and Welfare, various academic groups and the Keidanren (Japan Business Federation), SUMCO has formulated the SUMCO Group Infection Prevention Guidelines to deal with the spread of COVID-19 infections and implements a range of measures to prevent infections.

Once vaccinations become available, we will encourage employees to get vaccinated and do our utmost to further minimize the risks of infection.

Infection Prevention Measures

1. Newly established a special leave system for employees feeling unwell
2. Infection prevention measures for employees during work
 - Employees are required to take their temperature before attending work and wear masks during work
 - Measures to prevent droplet transmission at various in-house facilities (cafeterias, meeting rooms, offices, etc.), thorough disinfection, measures to avoid the three Cs
3. Utilization of remote meetings and telework
 - Thorough efforts to avoid business travel and dining together
 - Encouraging internal events, meeting and training be held online
 - Full telework at the Tokyo Head Office and sales offices in Osaka and Kyushu

Voice

Katsuhito Asahi, Unit Leader
Nagasaki Safety and Disaster Prevention Section, General
Affairs Department, SUMCO TECHXIV Corporation



Q. Please describe the status of implementation and the level of participation in the emergency response drills you conduct at the plant.

For integrated emergency response drills, we envisage a major earthquake measuring upper 6 on the intensity scale having occurred. With the disaster control headquarters comprised of key executives and managers we mainly confirm the actions taken in the initial response. In recent years we have focused the drills on confirming the safety of employees, searching for missing people, conducting rescue and relief activities, providing emergency medical care and selecting multiple safe evacuation routes from the perspective of placing the highest priority on human life. In fiscal year 2019, more than 400 people in Nagasaki Plant took part in the drills, a figure which suggests a heightened interest in disaster prevention among employees. We also conduct late-night emergency response drills for shift workers, envisaging a scenario in which a major earthquake strikes at night, including coordination with disaster-prevention centers . Each year when we conduct our emergency response drills, we ask the local Omura Fire Department to attend. In addition to reviewing the drills overall, the members of the fire department offer valuable insight and guidance on where we need to improve from their perspective as professionals. Moving forward, we will share these areas for improvement with employees through internal meetings, continue to coordinate with the local community with the aim of further raising our disaster mitigation and prevention levels, and ensure our capacity for self-help, cooperation, and public assistance in times of disaster.

▶ To ESG-oriented Investors

SUMCO Group Taxation Policies

Basic Approach

Based on the SUMCO Group mission to be the world's No. 1 silicon wafer supplier by exceeding the expectation of our customers and stockholders, by recognizing the value of our employees and being good neighbors in communities, SUMCO Group shall conduct its business activities faithfully in accordance with law and ethics, and shall fulfill its responsibility to society.

SUMCO Group understands that the proper payment of taxes in accordance with the relevant laws and regulations of each country contributes to economic growth and development of society in each country, and helps toward living up to the support and trust of all stakeholders.

SUMCO Group shall endeavor, in ways like the following, to achieve timely compliance with revisions to the taxation system in each country and with trends in international tax frameworks, and to establish a tax compliance framework that is suitable at all times.

Observance of Tax Laws

SUMCO Group shall always observe tax-related laws and regulations in each of the countries and regions where it does business and fulfill its tax obligations in all countries and regions.

Engagement in International Tax Frameworks

SUMCO Group understands that the OECD BEPS (Base Erosion and Profit Shifting) project and other international initiatives are important undertakings for achieving tax transparency and preventing international tax avoidance.

Along with observing the tax laws in each country, SUMCO Group shall therefore conduct its tax affairs in accordance with the intent of international initiatives, endeavoring to ensure tax transparency.

In transactions with related parties in other countries and regions, SUMCO Group shall consider Arm's Length Price (ALP), and based on analysis of the functions, assets, and risks both between countries and between subsidiaries, distribute earnings appropriately according to their contribution.

Thinking on Tax Planning

SUMCO Group understands that transactions without a legitimate business purpose or economic rationality are an impediment to achieving tax transparency, and have the potential to harm the Group business value and the interests of stakeholders including local communities.

SUMCO Group shall not conduct tax planning aimed at tax avoidance, such as the use of tax havens by bogus entities having no business purpose.

Provision of an Internal Framework for Tax Compliance

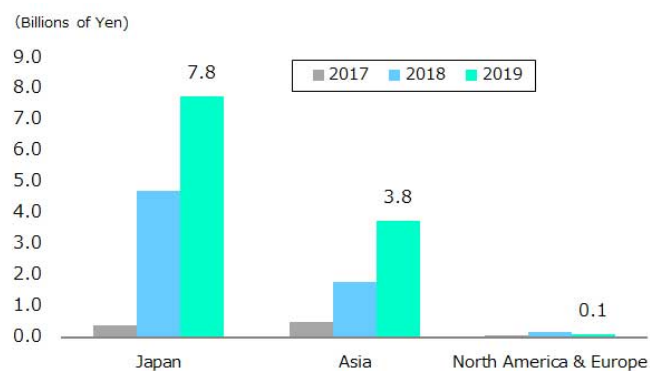
SUMCO Group, understanding the importance of instilling and reinforcing awareness of tax compliance in management and employees for the proper functioning of the tax compliance framework, shall seek to raise such awareness through education, information sharing, and consultations on proper handling of tax affairs.

Moreover, seeing tax-related risk as a material risk for business administration, SUMCO Group shall identify and analyze tax-related risk based on the risk management structure, and senior management shall perform regular annual checks of the status in dealing with issues for risk mitigation.

Establishment of Appropriate Relations with Tax Authorities

SUMCO Group shall comply with the tax administration procedures and tax collection procedures of each country. It shall maintain normal, sound relations with tax authorities and shall not provide improper benefits.

Reference: SUMCO Group Income Taxes by Region



Income Taxes Paid

	2017		2018		2019	
	(Billions of Yen)	%	(Billions of Yen)	%	(Billions of Yen)	%
Japan	0.4	41%	4.7	70%	7.8	67%
Asia	0.5	50%	1.8	27%	3.8	32%
North America & Europe	0.1	8%	0.2	3%	0.1	1%
Total	1.0	100%	6.8	100%	11.7	100%

▶ To ESG-oriented Investors



Environmental

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Environmental Management

Why SUMCO Addresses Environmental Issues

From energy-saving initiatives to curbing greenhouse gas emissions and reducing waste, lowering the environmental load by the business activities of companies is a pressing task to ensure that the global environment is maintained and protected.

To ensure that the irreplaceable global environment is passed on to future generations, the SUMCO Group has established an environmental management system. We have obtained ISO14001 certification for all of our plants, and pursue initiatives aimed at protecting the environment.

SUMCO Environmental Policies

1. Basic Environmental Philosophy

As a manufacturer of high-quality silicon wafers for semiconductors and of quartz crucibles, SUMCO has established the following action guidelines and is committed to self-initiated and sustained environmental conservation activities to pass on the Earth's irreplaceable environment to future generations.

2. Environmental Action Guidelines

1. Through our business activities, we shall pursue activities with an emphasis on the following points.
 - (1) We shall act to conserve electricity and other energies consumed by our business activities, thereby curbing emissions of greenhouse gases.
 - (2) We shall strive to reduce waste and increase recycling and reuse rates.
 - (3) We shall strive to reduce and recycle water used in our business activities.
 - (4) We shall strive to reduce chemical substances used in our business activities.
 - (5) We shall thoroughly manage the harmful chemical substances and waste, thereby reducing the risks to the environment.
2. We shall abide by environment-related laws and regulations, bylaws, and other agreed requirements.
3. We shall strive to prevent environmental pollution in our entire business activities and undertake efforts to protect the global environment and coexist in harmony with local communities.
4. We shall promote green procurement with our suppliers, thereby reducing environmental load.
5. We shall define environmental objectives, and by periodically reviewing these objectives, shall promote continuous improvement of our environmental management system.
6. We shall endeavor to consider and conserve biodiversity.

May 1, 2021

Environmental Management Structure

The SUMCO Group has established the Environmental Management Structure in which the Environmental Management Officer, a member of the Management Conference, appoints the Company-wide Environmental Manager and the Environmental Managers at site, and defines their roles, responsibilities and authorities. Thoroughness of instructions and information sharing are ensured at meetings of the Company-wide Environmental Management Committee and the Environmental Management Committee at each site, both of which are convened periodically. SUMCO's Environmental Management Officer holds chief responsibility for issues related to climate change and has chief authority regarding those issues. The Environmental Management Officer convenes meetings of the Environmental Management Committee and monitors SUMCO's efforts to address climate change.

Environmental Management Structure



Environmental Objectives

The SUMCO Group sets environmental objectives for each of its operating bases based on its Environmental Policies and the results of environmental load assessments that are conducted periodically. We implement initiatives to reduce environmental load and improve the environment in accordance with these objectives, such as reducing CO₂ emissions, the usage of chemical substances, the generation of industrial waste and water consumption. The results of these initiatives are reported at Environmental Management Committee meetings and reflected in plans for the next year. The previous year's performance serves as the base value for these environmental objectives. Further, we verify our performance every six months and review the objectives as necessary.

2020-2023 Environmental Objectives and 2020 Results

	BM*1	2020		2021	2022	2023
		Objectives	Results	Objectives	Objectives	Objectives
Reduction of CO ₂ emissions Scope1+2	Previous year's results	1.2%	1.5%	0.8%	0.8%	0.8%
Reduction of chemical substance use		1.8%	2.7%	0.6%	0.6%	0.6%
Reduction of industrial waste (reduction of hazardous waste*2 released)		2.2% (0.04%)	3.5% (0.05%)	0.4% (0.04%)	0.4% (0.04%)	0.4% (0.04%)
Reduction of water consumption		0.4%	0.4%	0.6%	0.6%	0.6%

*1 BM = Bench Mark

- In the fiscal year 2020, by improving the recycling rate of subsidiary materials, we achieved major reductions in the amounts of chemical substances used and industrial wastes generated.
- Evaluating performance for each six-month period, we set target figures for subsequent fiscal years based on a careful examination of items applicable across each operating site.

*2 Hazardous waste refers to specially controlled industrial waste as defined in Japan's Waste Management and Public Cleansing Act.

Reduction Objectives for Each Base of Operations (9 Manufacturing Bases in Japan)

Site	BM	2020							
		Reduction of CO ₂ emissions		Reduction of chemical substance use		Reduction of industrial waste		Reduction of water consumption	
		Objectives	Results	Objectives	Results	Objectives	Results	Objectives	Results
Kyushu Factory (Nagahama, Imari)	Previous year's results	0.5%	0.9%	1.9%	4.0%	3.7%	5.7%	0.1%	0.1%
Kyushu Factory (Kubara, Imari)		0.6%	0.6%	1.7%	2.0%	0.3%	0.4%	0.1%	0.1%
Kyushu Factory (Saga)		2.6%	3.1%	0.3%	0.3%	0.4%	4.1%	1.9%	1.9%
Yonezawa Plant		0.8%	1.0%	1.4%	1.7%	0.2%	0.2%	0.1%	0.1%
Chitose Plant		3.7%	3.7%	1.2%	1.2%	0.7%	1.4%	0.2%	0.2%
JSQ Division		1.3%	2.5%	0.2%	0.3%	20.7%	31.3%	2.5%	2.5%
SUMCO Technology Corp. Noda Plant		1.2%	1.3%	0.4%	5.5%	14.9%	29.0%	1.1%	1.1%
SUMCO TECHXIV Corp. Nagasaki Plant		2.2%	2.7%	1.2%	1.7%	0.1%	0.1%	0.2%	0.2%
SUMCO TECHXIV Corp. Miyazaki Plant		0.2%	0.3%	1.2%	1.7%	0.1%	0.2%	0.4%	0.4%
Total		1.2%	1.5%	1.8%	2.7%	2.2%	3.5%	0.4%	0.4%

- As our efforts for reduction in CO₂ emissions, we have promoted reducing electricity usage by installing high-efficiency compressor at the Nagasaki Plant, and by integrating and upgrading coolers at the Saga Plant, among other initiatives.
- As our efforts for reduction in use of chemical substances, we have promoted modifying treatment system in wastewater treatment plant, and reducing the amount of chemicals introduced in reaction tanks, among other initiatives.
- As our efforts for reduction in industrial waste discharge, we have promoted curbing the generation of sludge by reducing the amount of chemicals introduced in wastewater treatment plant, lowering the water content of the dewatered sludge, and selling waste quartz powder and waste plastic as recycling material, among other initiatives.
- As our efforts for reduction in industrial water usage, we have promoted improving recycle ratio of pure water used in our manufacturing process, and upgrading aging cooling towers sequentially, among other initiatives.

Long-term Goal for Reduction in Greenhouse Gas Emissions

Set in 2019

Objectives year	in 2030
Long-term Goal	CO ₂ emission per unit (Scope1+2) 14.9% reduction from 2014 (1.0% reduction every year) (CO ₂ emission in 2014: 821,000 tons-CO ₂)

Environmental Risk Management

The SUMCO Group identifies environmental risks in the Basic Rules on Risk Management, including risk related to climate. Identified risks are incorporated into an initiative plan for environmental risks such as environmental pollution and extreme weather due to global warmings under the BSC and environmental management system. Then, the achievements are reported to the Environmental Management Officer as well as BSC and reviewed by top management.

Environmental Education

Education and Training Targeted at Suppliers to Increase Understanding of the Environmental Policies and Prevent Environmental Accidents

The SUMCO Group provides environmental education to supplier of chemicals and other products and to industrial waste treatment firms covering SUMCO's Environmental Policies, prevention of environmental accidents and compliance with laws and ordinances.

Contents of Education

1. Requests for vehicle inspections to prevent fuel, oil and other substances from leaking
2. The importance of SUMCO personnel being present at the time of delivery or collection, and request that their instructions be followed
3. Request for inspection of industrial waste collection vehicles, particularly to prevent leakage or dripping of sludge, liquid waste, etc.
4. Introduction to actual environmental accidents that occurred at the Company in the past



Suppliers receiving environmental education on the prevention of environmental accidents

Environmental Accounting

In accordance with Ministry of the Environment's Environmental Accounting Guidelines 2005, the SUMCO Group calculates the results of our group (Japan) from January 2020 to December 2020.

Environmental Costs

	(million yen per year)
Investments	2,600
Expenses*1	3,100

*1 Internal labor cost, depreciation expenses and energy costs (electric power, fuel, water, etc.) related to operation are not included.

Environmental Conservation Benefits, Economic Effect

Category (Unit)	Environmental Conservation Benefits (2019-2020)*2	Economic Effect (million yen per year)*3
Electricity consumption (GWh)	(51)	190
Fuel consumption (crude oil equivalent kL)	(139)	
Water consumption (Mm ³)	(0.8)	
Chemical substance consumption (t)	102	
Industrial waste emissions (t)	686	

*2 The negative value indicates that the increase in environmental impacts exceeded reductions due to increases in production and other factors that do not contribute to sales.

*3 Calculated by our original estimating method.

Environmental Audits

Through the SUMCO Group, internal environmental audits are conducted by internal auditors, while environmental management system audits are implemented by an outside review organization.

Internal Environmental Audit

Internal environmental audits are annually conducted by internal auditors for all organizations in the SUMCO Group subject to the Company's environmental management system. The results are reported to the Environmental Management Officer and reflected in the following year's activities to enable continuous improvement of the environmental management system.

Environmental Management System Audit

The SUMCO Group is subject to regular audits conducted every year and a renewal audit conducted every three years by an external independent auditor.

Compliance with Environmental Legislation

The SUMCO Group identifies the requirements of laws, regulations and agreements and verifies compliance.

We also ensure compliance with overseas chemical substance regulations, namely the Restriction on Hazardous Substances (RoHS) Directive and Regulation on Registration, Evaluation, Authorization and Restriction of Chemical Substances (REACH).

State of Compliance with Environmental Laws and Regulations

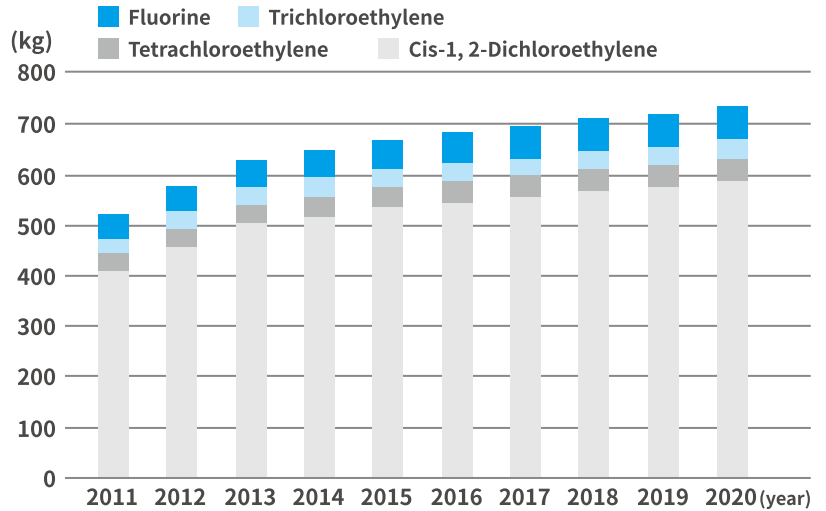
	5 years prior (2016)	4 years prior (2017)	3 years prior (2018)	2 years prior (2019)	Last year (2020)
Violations	0	0	0	0	0
Fines (yen)	0	0	0	0	0

Progress of Soil and Groundwater Contamination Countermeasures

The SUMCO Group conducts soil and groundwater contamination surveys at all facility sites.


In a voluntary survey implemented at the Noda site in 2005, it was found that amounts of volatile organic compounds (VOC) and fluorine exceeded the soil and groundwater environmental standard values. We have been pursuing countermeasures in consultation with relevant parties. At present, we are working to prevent the spread of and recover contaminated substances by using a pumping well set up near the boundary of the plant grounds.

Accumulated Amount of Contaminated Substances Recovered Annually from Groundwater at the Noda Plant



In fiscal year 2020, there were no new incidents related to industrial water/wastewater across the SUMCO Group.

ISO 14001 Management System Certificate

▶ ISO 14001 Management System Certificate [3.09MB/3Pages] 

▶ To ESG-oriented Investors

Disclosure Based on TCFD Recommendations

In April 2021, we expressed our support for the TCFD^{*1} recommendations.


This section discloses our governance, strategy, risk management, and metrics and targets in line with the TCFD recommendations.

*1 The Task Force on Climate-related Financial Disclosures established by the Financial Stability Board (FSB)

1. Governance and Risk Management

In SUMCO, the Environmental Management Committee, chaired by an environmental officer who is a member of the Management Conference, reviews the risks and opportunities arising from climate change, sets environmental objectives (reduction of CO₂ emissions, reduction of water consumption, etc.) to be addressed, and manages the status of such efforts.

As regards climate change and other risks, the Business Security Committee (BSC), which is attended by the Chairman and CEO and other senior management, determines company-wide policies and deliberates and decides on risk prevention measures.

- ▶ Environmental Management Committee: Environmental Management Structure
- ▶ BSC: ANNUAL RPORT 2020 P40 

2. Strategy

We recognize that the risks and opportunities associated with climate change are among the key business issues that will affect our future finance.

We therefore forecast and quantified the risks and opportunities that are likely to have a financial impact and carried out a scenario analysis in line with the TCFD recommendations.

(1) Major risks and opportunities related to climate change

Scope: SUMCO Group

Timing of embodiment: short term (1 year or less), medium term (1 to 3 years), medium to long term (3 to 10 years), long term (over 10 years)

Possibility: small, medium, large

Degree of impact: small (1 billion yen or less), medium (1 to 10 billion yen), large (over 10 billion yen)

Classification		Expected result	Timing of embodiment	Possibility	Degree of impact
Risk	Transition risk	Loss of sales opportunities and increase in procurement costs due to intensifying competition in the semiconductor sector	Medium to long term	Large	Large
		Increase in operating costs due to the introduction of a carbon tax (carbon pricing)	Medium term to medium to long term	Large	Medium
		Increase in waste disposal costs due to the formation of a recycling-oriented society	Medium to long term	Large	Medium
		Increase in business costs due to the increased burden of renewable energy levy	Short term to medium to long term	Large	Medium
		Increase in capital costs due to the expansion of ESG investments	Medium term	Large	Small
	Physical risk	Suspension of business activities due to wind and flood disasters	Short term	Medium	Small to large
		Supply chain disruptions due to wind and flood disasters	Short term	Medium	Small to large
Opportunity	Expansion of demand for energy-saving-related equipment due to the advancement of energy conservation and renewable energy		Long term	Large	Large
	Expansion of demand for automotive products due to the spread of Evs		Medium to long term	Large	Large
	Increase in demand for server-related equipment due to the spread of telework		Medium to long term	Large	Large
	Increase in demand for automation equipment due to the spread of automation and digitization		Medium to long term	Large	Large

(2) Scenario analysis

Although all the items identified as risks and opportunities are evaluated as having a significant impact on SUMCO, three items (blue items in the above list) have been selected for the scenario analysis in the current fiscal year.

1) Increase in operating costs due to the introduction of a carbon tax (carbon pricing) [Risk]

Since we emit large amounts of greenhouse gases and there will be a significant impact on our business if a carbon tax is introduced, we conducted a scenario analysis for the 2°C and 4°C scenarios.

(i) Assumptions of scenario analysis

(1) Total emissions for scopes 1 and 2

Emissions in 2030 are estimated, with emission factors calculated for each country's electric utilities based on the World Energy Outlook (WEO) 2019 of the International Energy Agency (IEA).

	2°C Sustainable Development Scenario (SDS)	4°C Stated Policies Scenario (STEPS)
Emissions in 2030	Approx. 430,000 t-CO ₂ /yr	Approx. 675,000 t-CO ₂ /yr

(2) Carbon prices

Carbon prices of each country are set on the basis of the World Energy Outlook (WEO) 2019 of the International Energy Agency (IEA).

	2°C Sustainable Development Scenario (SDS)	4°C Stated Policies Scenario (STEPS)
Japan, USA, Taiwan	\$100/t-CO ₂ *2	\$33/t-CO ₂ *4
Indonesia	\$75/t-CO ₂ *3	\$12/t-CO ₂ *5

*2 The value for advanced economies is adopted.

*3 The value for selected advancing economies is adopted.

*4 The value for EU is adopted.

*5 The lowest value among the values given for different countries in the WEO 2019 is adopted.

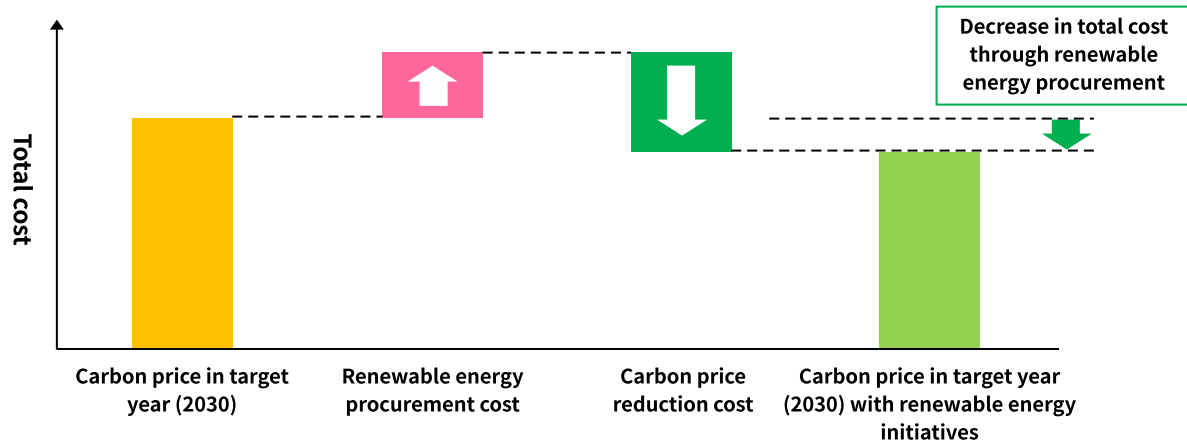
(ii) Scenario analysis results

The cost burden will increase by about 2.4 billion yen/yr under the 4°C scenario and about 4.7 billion yen/yr under the 2°C scenario.

(iii) Proposed cost reduction initiatives

Since the scenario analysis has indicated that the total cost decreases when the unit cost of procuring renewable energy is lower than the unit carbon price, we discuss the introduction of renewable energy in addition to our current efforts toward energy conservation.

Image of costs associated with carbon tax



2) Expansion of demand for energy-saving-related equipment due to the advancement of energy conservation and renewable energy [Opportunity]

As we move toward a decarbonized society, demand is expected to increase for power semiconductors that provide stable and efficient power supply and streamlined, high-precision control.

We have conducted scenario analysis for representative products that are expected to become more widespread in the future due to climate-change-related factors and for which both the 2°C and 4°C climate change scenarios exist and have evaluated changes in the demand for power semiconductors in each industrial sector.

	Consumer equipment sector	Electric railcar sector	Energy sector	Automotive & electronics sector	Information & communication equipment sector	Industry sector
Market size of power semiconductors in percentage *6	30%	A few percent	A few percent	20%	20%	20%
Products and devices having promising growth potential	Inverters for home appliances, AC adapters, etc.	Electric railcars (inverter modules)	Solar and wind power generation equipment, power transmission infrastructure, etc.	EVs, quick charging stations, wireless power supply systems, etc.	Server power supplies, UPS, etc.	High-voltage and high-current applications, such as motor control, inverter control, and welding machinery

		Consumer equipment sector	Electric railcar sector	Energy sector	Automotive & electronics sector	Information & communication equipment sector	Industry sector
Products and equipment subject to scenario analysis		Air conditioners	Electric railcars	Solar and wind power generation equipment	Electronic control unit (ECU)		Energy efficiency of the entire manufacturing plant
	Changes in power semiconductor demand toward achieving the goal of less than 2°C in 2030	Production of high-efficiency air conditioners with inverters is estimated to be about 1.3 times higher than that under the 4°C scenario (business as usual). The production percentage of air conditioners with inverters is also expected to rise.	The demand for rail travel, whose CO ₂ emissions per travel distance is low, will grow. The production of railcars is estimated to be about 1.2 times higher, compared to the 4°C scenario (business as usual).	Although it is difficult to forecast the volume of power semiconductors to be installed in power generation equipment and related products, we estimate that the amount of solar and wind power to be introduced globally will be about 1.5 times greater than in the 4°C scenario (business as usual).	A separate scenario analysis is conducted for general automotive semiconductor devices (see "Expansion of demand for automotive products due to the spread of EVs")	This sector was not included in the analysis because there are no appropriate climate change scenarios for the sector, and the cycle of products and services is shorter than in other sectors, making medium- to long-term projections difficult.	Although there are no climate change scenarios for individual equipment and products in this sector, we estimate that energy intensity in the manufacturing industry will decrease by about 7% in comparison with the 4°C scenario (business as usual) due to energy conservation and improved efficiency.
Our business opportunities in the transition toward achieving the goal of less than 2°C		Increased production of air conditioners due to global warming and greater extremes of weather is expected to have a positive impact on demand for our products.	Although the market size is small, we expect a positive impact on demand for our products as demand for electric railcars increases due to a modal shift.	Although the market size is small, we expect that the global shift to renewable energy will increase the production of power conditioners and other products, which will have a positive impact on demand for our products.		Considering that there are no direct climate change factors affecting the demand for products and services in this sector, we assess that the difference in demand for power semiconductors in this sector between the 2°C and 4°C scenarios is small.	We expect that demand for power semiconductors will increase due to such factors as progress in energy conservation and higher efficiency in factories, which will lead to increased demand for our products.

	Consumer equipment sector	Electric railcar sector	Energy sector	Automotive & electronics sector	Information & communication equipment sector	Industry sector
Our business opportunities with the spread of next-generation power semiconductors	The market for next-generation power semiconductors (SiC, GaN, etc.), which are currently undergoing development, commercialization, and cost reduction, is expected to expand significantly by 2030. We will therefore continue to monitor the spread of next-generation power semiconductors, pursue development, and increase our capacity.					

*6 Based on a research company's forecast data

3) Expansion of demand for automotive products due to the spread of EVs

[Opportunity]

In forecasting the demand for automotive wafers, we estimated the ratios of future EV/HEV production as shown in the figure below.

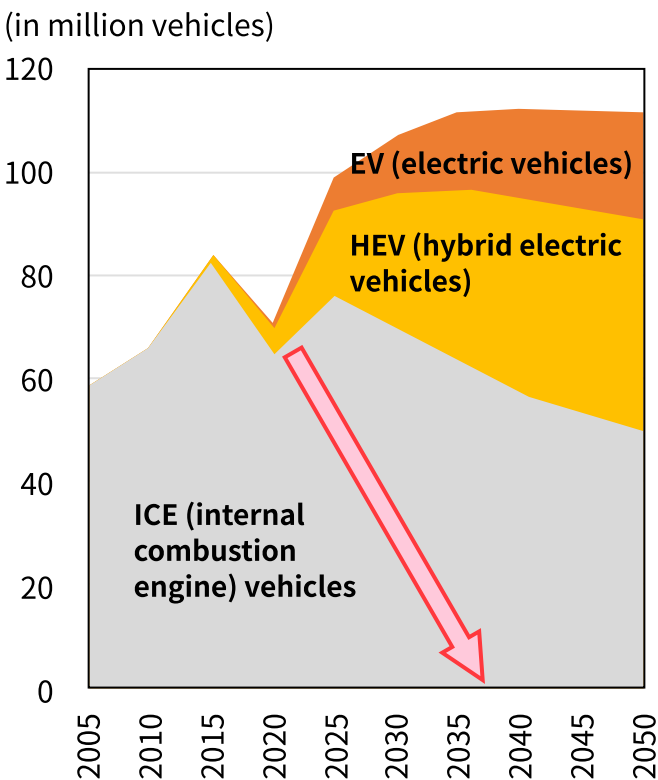
Regarding the right-side graph (New scenario) as the 2°C scenario and the left-side graph as the 4°C scenario (business as usual), we analyzed the trend of silicon wafer demand until 2030 by multiplying the projected area of silicon wafers for automotive semiconductors by the production ratio of each vehicle type.

The results indicate that the demand for silicon wafers in 2030 will be more than doubled compared to 2020 in both the 2°C and 4°C scenarios. When both scenarios are compared, the demand as of 2030 under the 2°C scenario is estimated to be about 1.1 times higher than that under the 4°C scenario.

In the automotive and electronics sector, we expect, as a baseline, increasing demand for automotive semiconductors due to such trends as automated driving and computerization of display devices. In addition, we expect that the spread of EVs and PHEVs for decarbonization will have the effect of further boosting demand, with a positive impact on demand for our products.

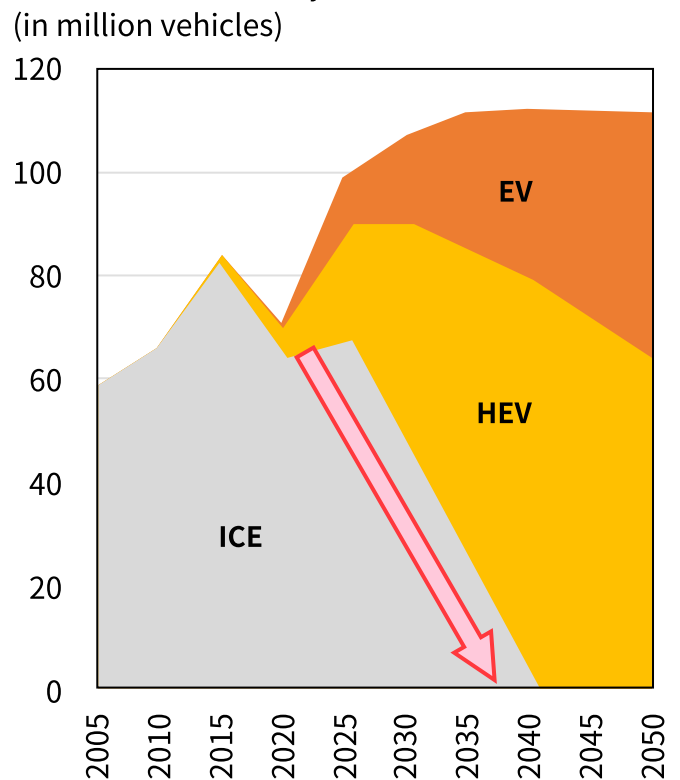
We will therefore continue to develop high reliability and durability and increase our capacity.

1. Number of vehicles forecast at the beginning of 2020



2. New scenario

- Acceleration of decarbonization amid the COVID-19 crisis
 Assuming that the number of ICE vehicles will decrease to zero by 2040



Source: Earnings briefing for the fiscal year ending December 2020

* The scenario analysis was conducted with the help of an external research company in collecting and analyzing external information.

3. Metrics and Targets

Setting the reduction of CO₂ emissions as one of our environmental objectives, we are working to reduce CO₂ emissions.

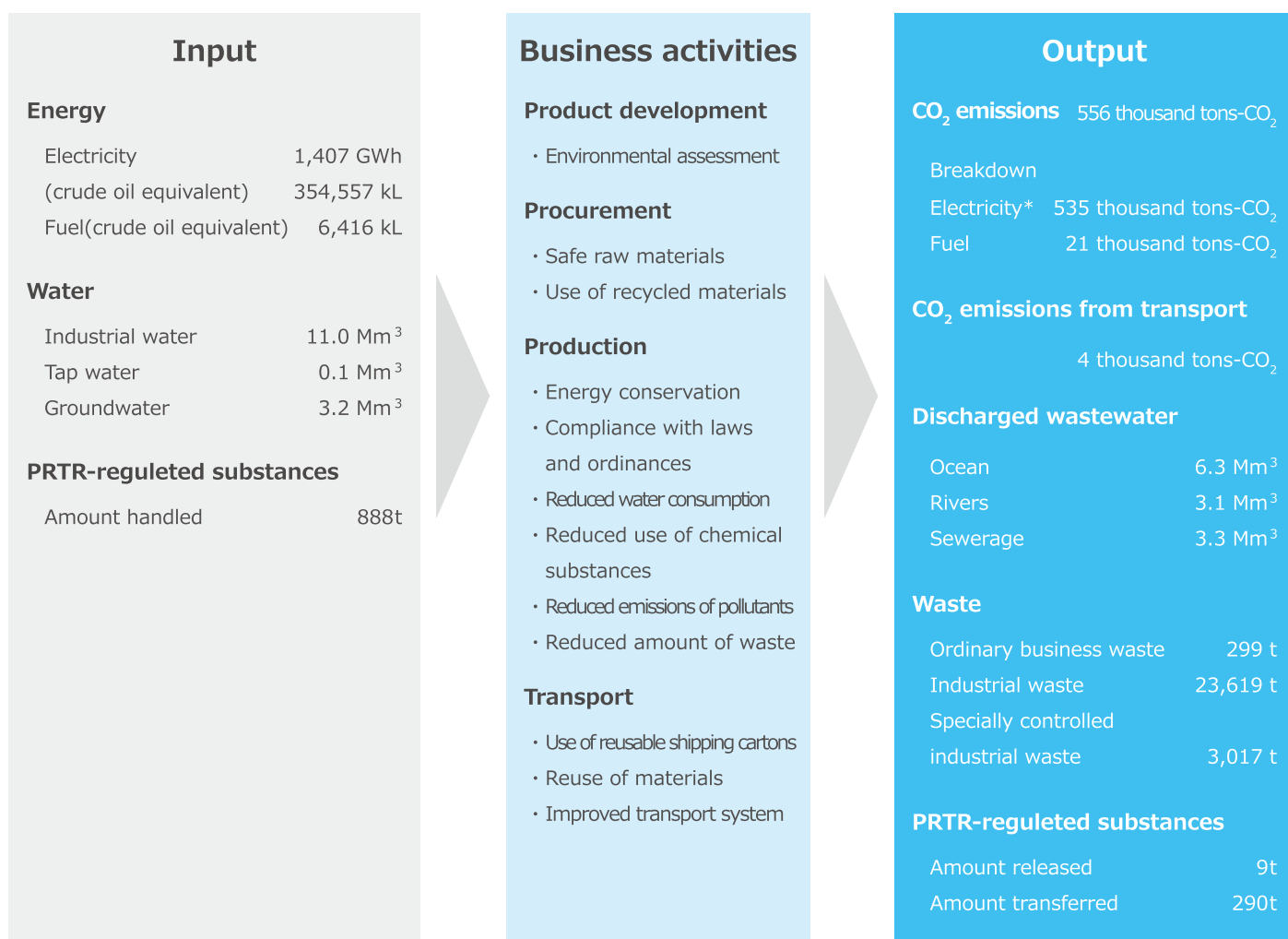
We are also publishing the results of our activities to achieve the objective.

- ▶ Environmental objectives
- ▶ Environmental load of business activities

Environmental Load of Business Activities

The depletion of energy resources, global warming, threats to biodiversity and other environmental problems are having an increasingly serious impact on the global environment. The SUMCO Group identifies forms of energy such as electric power, chemical substances, waste products and wastewater as significant environmental aspects in its production activities and pursues initiatives to make environmental considerations and reduce the environmental load across all of its business activities.

Business Activities and Environmental Load in 2020 (SUMCO Group [Japan])



* CO₂ emissions from electricity are calculated using the CO₂ emission coefficient of each electric power supplier.

List of Boundaries

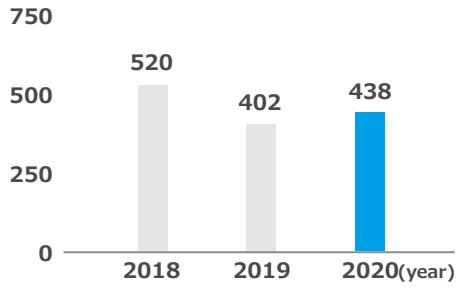
Site	Energy usage	CO ₂ emissions stemming from energy usage	Water used/waste-water	Industrial waste generated	VOC emissions	PRTR emissions	Atmospheric pollutant emissions	Abbreviation	
Includes SUMCO Group companies in Japan	Kyushu Factory (Nagahama, Imari)	○	○	○	○	○	○	SUMCO	
	Kyushu Factory (Kubara, Imari)	○	○	○	○	○	○		
	Kyushu Factory (Saga)	○	○	○	○	○	○		
	Yonezawa Plant	○	○	○	○	—	○		—
	Chitose Plant	○	○	○	○	○	○		—
	JSQ Division	○	○	○	○	—	○	○	STC
	SUMCO TECHXIV Corp. Nagasaki Plant	○	○	○	○	○	○	○	
	SUMCO TECHXIV Corp. Miyazaki Plant	○	○	○	○	○	○	○	
SUMCO Technology Corp. Noda Plant	○	○	○	○	○	—	○	○	STEC
SUMCO Group Companies Overseas	SUMCO Phoenix Corporation	○	○	○	○	—	—	○	SPX
	PT. SUMCO Indonesia	○	○	○	○	—	—	—	SPTI
	FORMOSA SUMCO TECHNOLOGY CORPORATION	○	○	○	○	○	○	○	FST

* Including all Japan and overseas sites.

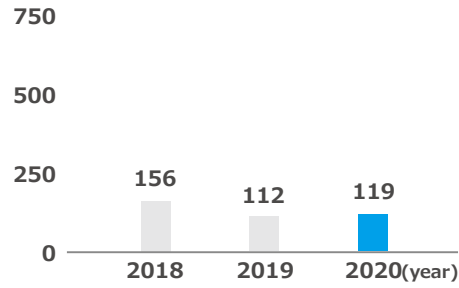
Environmental Load (Japan)

CO₂ emissions (Japan) (thousand tons-CO₂ per year)

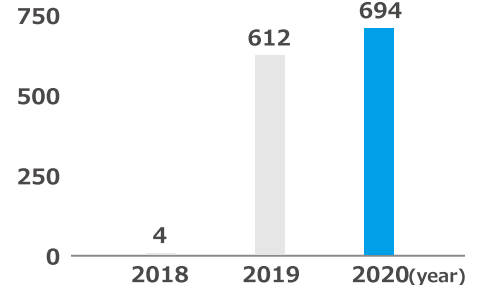
SUMCO (Scope 1+2)



STC (Scope 1+2)

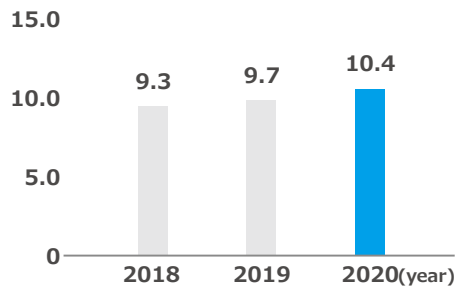


Scope 3

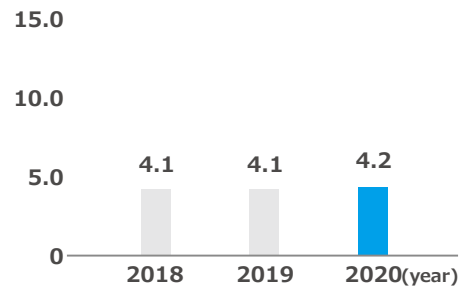


Water consumption (Japan) (Mm³ per year)

SUMCO



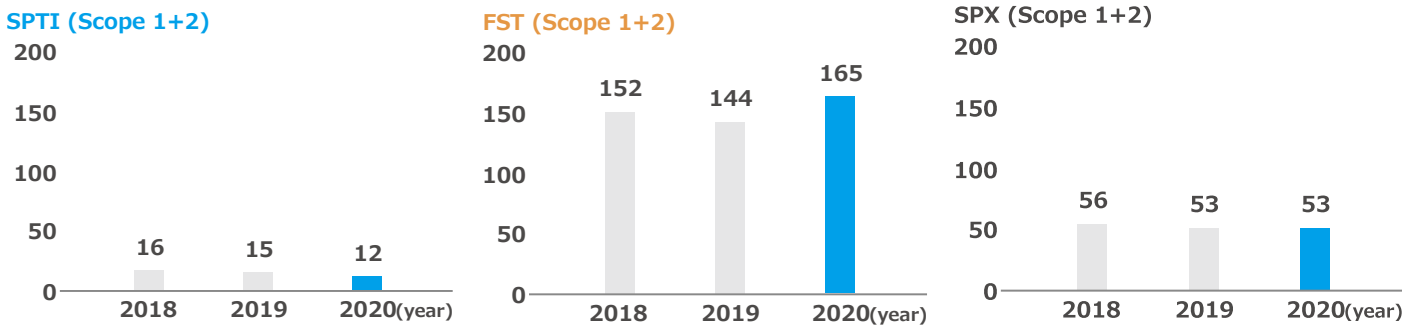
STC



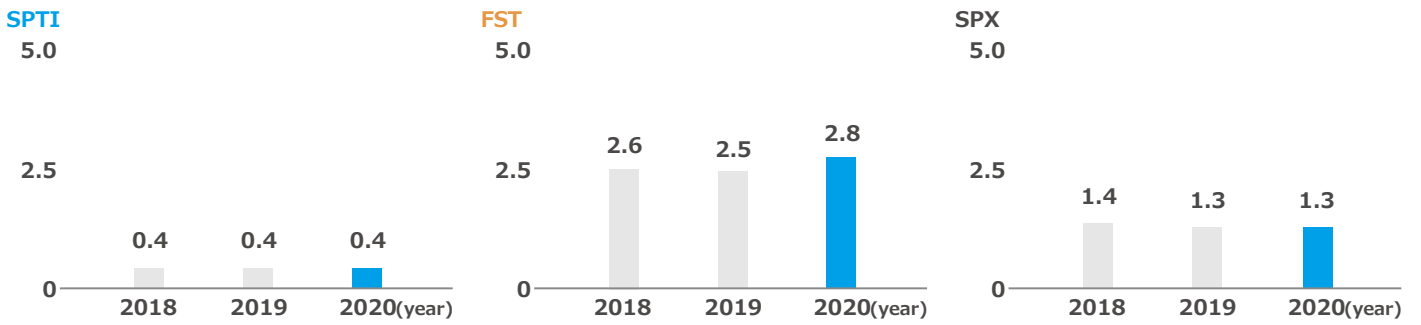
Environmental Load (Overseas)



CO₂ emissions (overseas) (thousand tons-CO₂ per year)



Water consumption (overseas) (Mm³ per year)



* CO₂ emissions of the overseas subsidiaries are calculated using the emission coefficient of each country based on the Greenhouse Gas Protocol Initiative.

Environmental Data (SUMCO Group)

Greenhouse Gas Emissions Data

(thousand tons-CO₂ per year)

	5 years prior (2016)	4 years prior (2017)	3 years prior (2018)	2 years prior (2019)	Last year (2020)
Scope 1 (direct)	22	23	25	26	25
Scope 2 (indirect)	913	894	877	702	765
Scope 3 (other indirect)	4	4	4	612	694
Scope 1&2	935	917	902	728	790
Scope 1, 2&3	939	921	906	1,340	1,484

* Numbers of Scope 3 (other indirect) until 2018 include category 4 (upstream transportation and distribution) only.

Greenhouse Gas Emissions Scope3 Data (Japan)

(thousand tons-CO₂ per year)

Category		2020
1	Purchased goods and services	414
2	Capital goods	113
3	Fuel- and energy-related activities (not in Scope 1 or 2)	99
4	Upstream transportation and distribution	31
5	Waste generated in operations	23
6	Business travel	1
7	Employee commuting	13
8	Upstream leased assets	Not applicable
9	Downstream transportation and distribution	__*1
10	Processing of sold products	__*1
11	Use of sold products	Not applicable
12	End-of-life treatment of sold products	__*1
13	Downstream leased assets	Not applicable
14	Franchises	Not applicable
15	Investments	Not applicable

*1 SUMCO products are potentially intermediate products with many downstream applications. It is difficult to make an accurate and reliable calculation, and we have determined that the calculation is not appropriate in terms of reliability.

Greenhouse Gas Emissions Data (by Company)

(thousand tons-CO₂ per year)

	5 years prior (2016)	4 years prior (2017)	3 years prior (2018)	2 years prior (2019)	Last year (2020)
SUMCO	553	538	524	1,014	1,132
STC	169	159	156	112	119
FST	148	152	152	144	165
SPX	60	61	61	58	57
SPTI	10	11	12	12	12
Total	939	921	906	1,340	1,484

* Greenhouse Gas Emissions Scope3 is aggregated as "SUMCO".

Breakdown of Greenhouse Gas Data (Scope 1)

(tons)

	5 years prior (2016)	4 years prior (2017)	3 years prior (2018)	2 years prior (2019)	Last year (2020)
CO ₂	22,000	23,000	25,000	26,000	25,000
CH ₄	—	—	—	—	—
N ₂ O	—	—	—	—	—
HFC	0.010	0.012	0.012	0.012	0.006
PFC	—	—	—	—	—
SP ₆	—	—	—	—	—
Other	—	—	—	—	—

Energy Consumption

	5 years prior (2016)	4 years prior (2017)	3 years prior (2018)	2 years prior (2019)	Last year (2020)
Electricity usage (GWh)	1,698	1,735	1,793	1,707	1,792
Electricity (converted to petroleum) (kL)	427,396	436,979	451,403	429,838	451,085
Fuel (converted to petroleum) (kL)	8,382	8,359	8,711	9,054	8,804

Water Supplied

(Mm³ per year)

	5 years prior (2016)	4 years prior (2017)	3 years prior (2018)	2 years prior (2019)	Last year (2020)
Surface water (rivers, wetland, natural lakes)	12.2	12.6	13.2	13.5	14.8
Water underground (well water)	3.3	3.5	3.4	3.3	3.2
Quarry water	—	—	—	—	—
Potable water	1.1	1.3	1.3	1.15	1.12
External drainage water	—	—	—	—	—
Rainwater	—	—	—	—	—
Seawater	—	—	—	—	—
Total	16.6	17.4	17.9	18.0	19.1

Water Supplied (by Company)

(Mm³ per year)

	5 years prior (2016)	4 years prior (2017)	3 years prior (2018)	2 years prior (2019)	Last year (2020)
SUMCO	9.0	9.2	9.4	9.7	10.4
STC	3.8	3.9	4.1	4.1	4.2
FST	2.3	2.5	2.6	2.5	2.8
SPX	1.2	1.4	1.4	1.3	1.3
SPTI	0.3	0.4	0.4	0.4	0.4
Total	16.6	17.4	17.9	18.0	19.1

* Please refer the page of "Effective Use of Water Resources" for water-stressed area.

Drainage Water

(Mm³ per year)

	5 years prior (2016)	4 years prior (2017)	3 years prior (2018)	2 years prior (2019)	Last year (2020)
Total water drained into the ocean	7.1	7.3	7.7	7.8	8.6
Total water drained to surface water sources	—	—	—	—	—
Total water drained to underground sources/ well water sources	—	—	—	—	—
Total water drained outside of plants	4.3	4.8	5.0	5.2	4.7
Other drainage water	3.2	3.4	3.3	3.3	3.1
Total drainage water	14.6	15.5	16.0	16.3	16.4

Drainage Water (by Company)

(Mm³ per year)

	5 years prior (2016)	4 years prior (2017)	3 years prior (2018)	2 years prior (2019)	Last year (2020)
SUMCO	8.0	8.1	8.3	8.4	8.9
STC	3.3	3.4	3.7	3.8	3.7
FST	1.9	2.0	2.1	2.1	2.3
SPX	1.2	1.6	1.5	1.6	1.1
SPTI	0.2	0.4	0.4	0.4	0.4
Total	14.6	15.5	16.0	16.3	16.4

VOC emissions

(tons per year)

	5 years prior (2016)	4 years prior (2017)	3 years prior (2018)	2 years prior (2019)	Last year (2020)
VOC	16.6	20.3	21.7	23.8	18.4

► To ESG-oriented Investors

Combating Global Warming

To help prevent global warming, the SUMCO Group identifies both external and internal challenges to preventing climate change based on the Company's business goals/Environmental Policies and the needs and expectations of related stakeholders. In this way, the Group determines risks and opportunities related to these external/internal issues and needs/expectations.

Based on these, we resolve and implement year-long initiatives targeting climate change issues that take into account the risks and opportunities for each department, report the results to the environmental management executive officer, evaluate and analyze the results at meetings of the Environmental Management Committee, and as necessary, revise these risks and opportunities.

To look at a specific example: For the production of silicon wafer, the SUMCO Group makes every effort to streamline production and promote rationalization in order to reduce electric power consumption. When it comes time to update production and utility facilities, we replace them with energy-saving and high-efficiency alternatives. In offices, lighting is turned off during lunchtime and other breaks, and air conditioners are set at a reasonable temperature to save energy. For Example, we have reduced electricity usage by installing high-efficiency compressor at the Nagasaki Plant and by replacing the lighting equipment at each plant with LED equivalents, among other initiatives.

In Japan, the SUMCO Group takes part in the following initiatives addressing the issues of climate change.

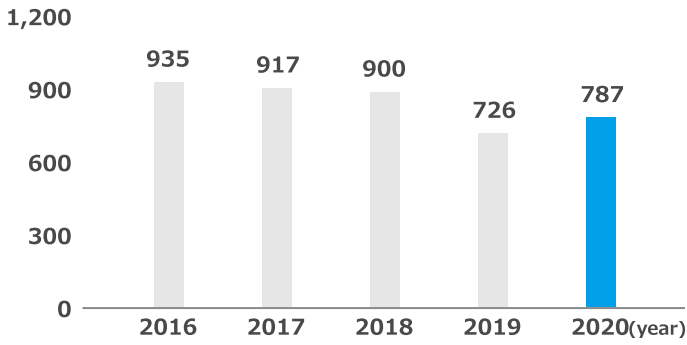
(1) We are part of an industry group (for Japanese electrical and electronics industries) involved in activities supporting the Keidanren's "Commitment to a Low Carbon Society," an initiative that lists, publishes and implements activities entities themselves can proactively take on to help create a global low carbon society.

(2) We have registered with the Environmental Reporting Platform Development Pilot Project of the Ministry of the Environment. This undertaking encourages the disclosure of environmental information and dialog among parties including companies and investors. It is contributing toward the creation of a sustainable society by helping to ensure that companies actively engaged in environmental activities are properly recognized for their efforts and gain investor funding support as a result.

In 2019, major investment in CO₂ reduction totaled 169 million yen.

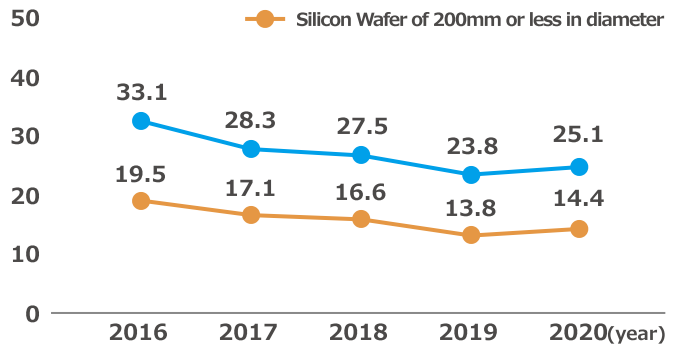
CO₂ Emissions (Scope 1+2) (SUMCO Group)

(thousand tons-CO₂)



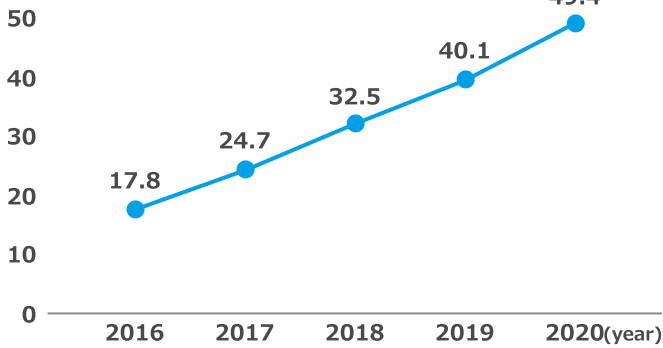
CO₂ Emissions per Silicon Wafer (sales) (SUMCO Group)

(kg-CO₂/wafer)



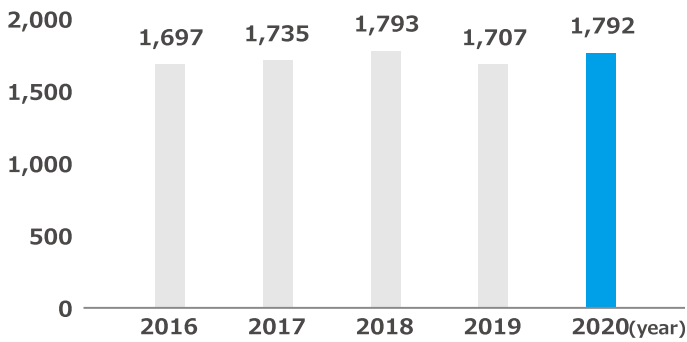
Cumulative Reduction of CO₂ Emissions (SUMCO Group)

(thousand tons-CO₂)



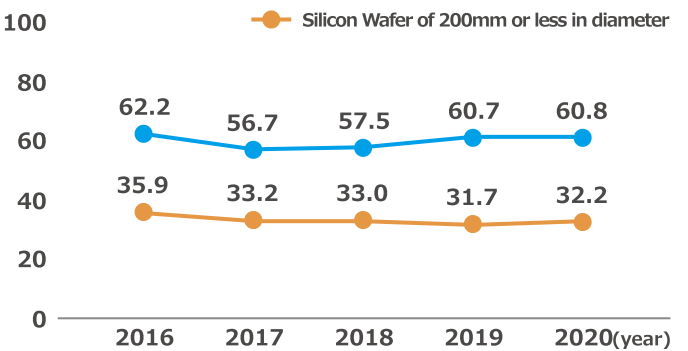
Electric Power Consumption (SUMCO Group)

(GWh)



Electric Power Consumption per Silicon Wafer (sales) (SUMCO Group)

(kWh/wafer)



Investment in Clean Technologies

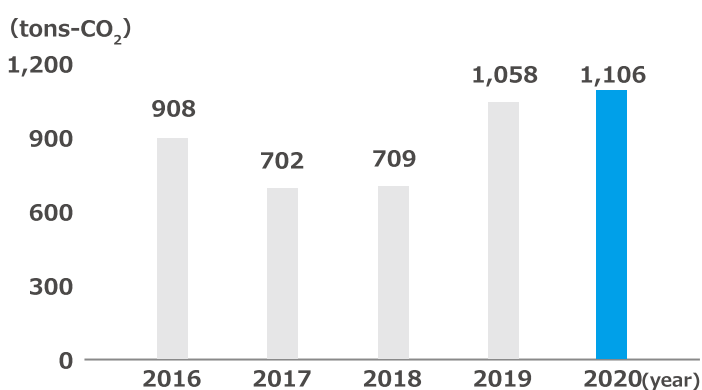
We have installed 2.3MW of solar power generation equipment at our Kyushu Factory (Kubara, Imari), and we use and sell renewable energy. Upon replacing production or utility equipment, we also adopt energy-saving or high-efficiency equipment and aim to curtail energy consumption through LED lighting.

CO₂ Reduction through Modal Shift to Ship Transport in the Field of Logistics

SUMCO used to rely solely on airfreight for the transportation of silicon wafers to overseas markets. However, to reduce both CO₂ emissions and transportation costs, we have been promoting a modal shift to ship transport for some of our products since 2009, taking into account factors affected by longer transportation lead time and changes in the

transportation environment. We conduct tests before switching to ship transport to confirm that the quality of products is not affected, as well as consulting with customers.

CO₂ Reduction through Modal Shift to Ship Transport



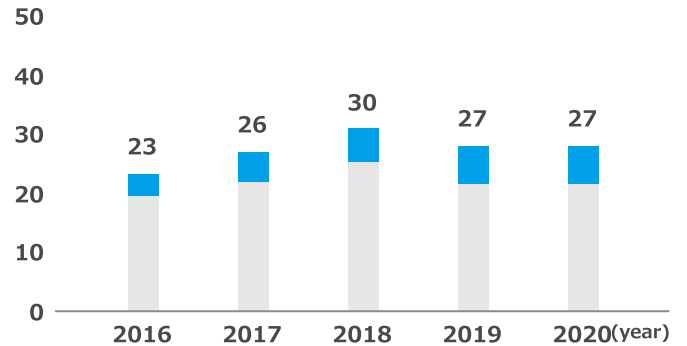
▶ To ESG-oriented Investors

Reduction of Waste

In Japan, the SUMCO Group is working to reduce the amount of waste generated as part of environmental conservation efforts. In particular, to deal with the large volume of sludge generated at our plants, the SUMCO Group is making efforts to optimize the quantity of chemicals injected for wastewater treatment, and to deal with waste oil, waste acid, waste alkali, waste plastics and other waste, we are focusing on promoting their recycling and conversion into valuable resources.

Amount of Disposal (SUMCO Group [Japan])

(thousand tons)



Waste Reduction through the Adoption of Reusable Containers

We are replacing the containers used to ship 300-mm diameter silicon wafers with reusable alternatives as one of the initiatives to reduce post-shipment waste.

The percentage of reusable containers used for shipment in 2020 was 62.8%.

Before introducing reusable containers, we conduct tests to ensure that the quality of the products is not affected.

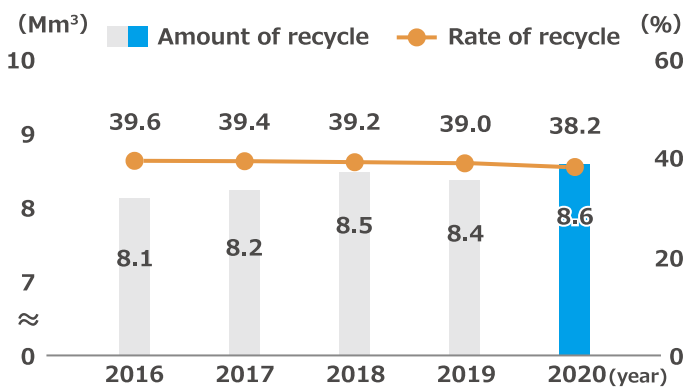
► To ESG-oriented Investors

Effective Use of Water Resources

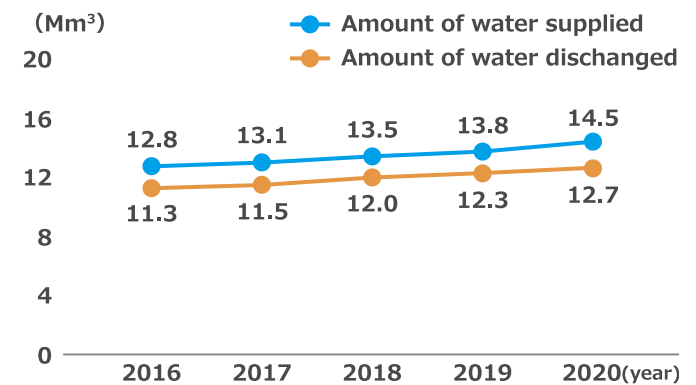
The SUMCO Group recognizes that water is an important resource playing a vital role in manufacturing silicon wafers. We have set environmental objectives related to reducing water used by our business, and we are working to use water resources effectively at all of our manufacturing bases.

The SUMCO Group's water recycling rate hovers at around 39% and was 38.2% in 2020.

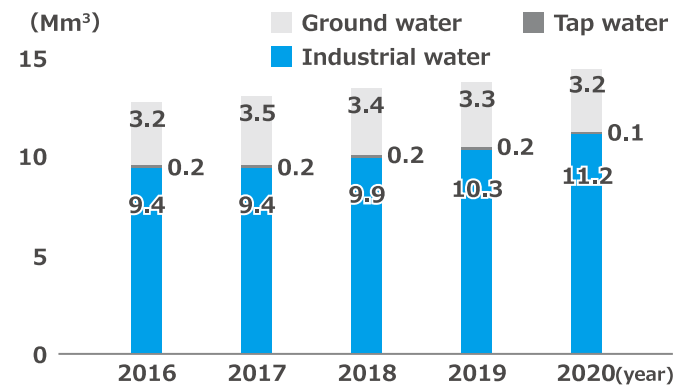
Amount of Water Recycled and Recycling Rate (SUMCO Group [Japan])



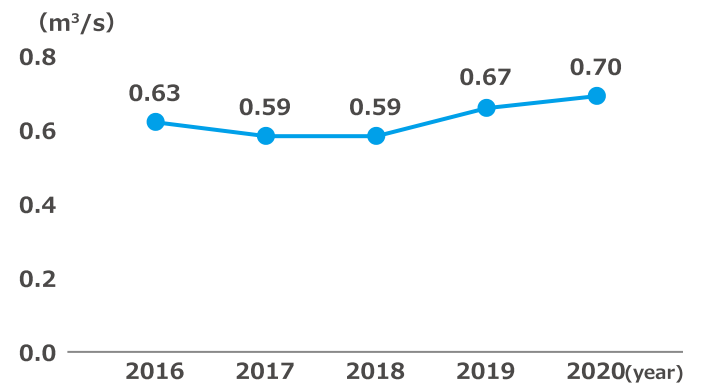
Amount of Water Supplied and Discharged (SUMCO Group [Japan])



Amount of Water Consumption by Water Source (SUMCO Group [Japan])

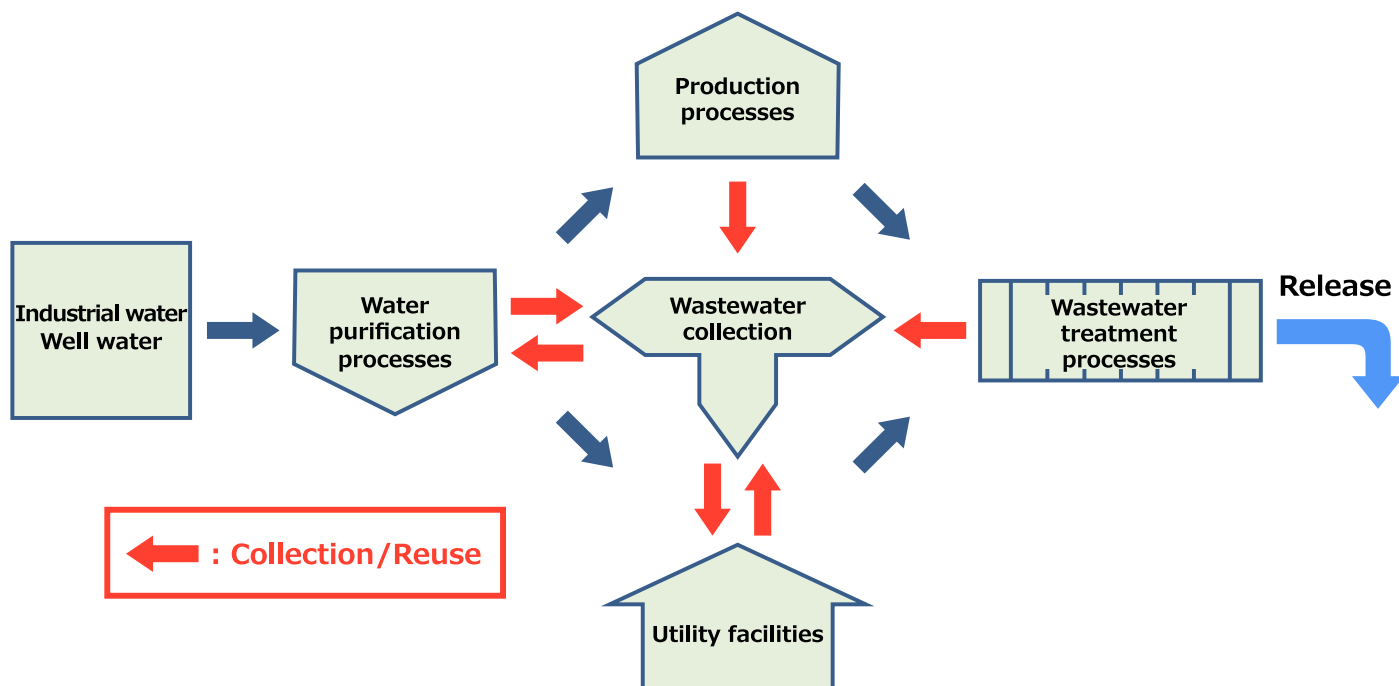


Amount of Water Supplied per Product (Sale) (SUMCO Group [Japan])



At our plants in Japan and overseas, we utilize the reject water generated in the water purification process as cooling water for utility facilities and dilution water for wastewater treatment chemicals. We are also working to conserve as much water as possible for recycling, such as collecting the rinse water used to clean silicon wafers.

Water Recycle Flow (SUMCO Group)



Cooperation with Stakeholders

■ Disclosures through CDP (Water Security)

The SUMCO Group disseminates information regarding its ESG efforts to a wide range of stakeholders.

Starting 2021, we will respond to the water security questionnaire conducted by the CDP, which publishes information on companies' environmental initiatives according to common measures.

Water-stressed Areas

The SUMCO Group investigates water stress using the AQUEDUCT tools provided by the WRI*¹. The following shows the results of the 2020 investigation.

	Operating Base	Water stress* ²
Includes SUMCO Group companies in Japan	Kyushu Factory (Nagahama, Imari)	2
	Kyushu Factory (Kubara, Imari)	2
	Kyushu Factory (Saga)	2
	Yonezawa Plant	1
	Chitose Plant	1
	JSQ Division	1
	SUMCO TECHXIV Corp. Nagasaki Plant	2
	SUMCO TECHXIV Corp. Miyazaki Plant	1
	SUMCO Technology Corp. Noda Plant	2
SUMCO Group Companies Overseas	SUMCO Phoenix Corporation	3
	PT. SUMCO Indonesia	4
	FORMOSA SUMCO TECHNOLOGY CORPORATION	2

*1 WRI: The World Resources Institute. A U.S. policy center.

*2 Water stress: Evaluated on a scale of 1-5. The higher the number, the more water-stressed the area is.

► To ESG-oriented Investors

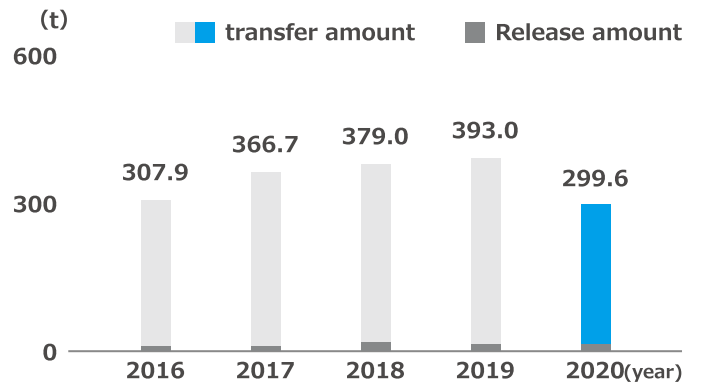
Chemical Substance Management

The Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (Law concerning Pollutant Release and Transfer Register / PRTR Law) requires businesses to report the amounts of any designated chemical substances released into the environment or transferred.

There are 12 substances subject to reporting under the PRTR Law. The majority of these are substances contained in cleaning agents and fuels.

With regard to the substances subject to reporting under the PRTR Law, the SUMCO Group measures the amounts of such substances transferred or released into the environment based on a stringent management system and issues reports without omission.

Amount of PRTR-Regulated Substances Released and Transferred (SUMCO Group [Japan])



* The figure for each year shows the amount of released or transferred substances during the preceding year from April through March.

List of Substances Subject to PRTR Reporting (Class 1 Designated Chemical Substances: 1 ton or more per year; Specific Class 1 Designated Chemical Substances: 0.5 tons or more per year)

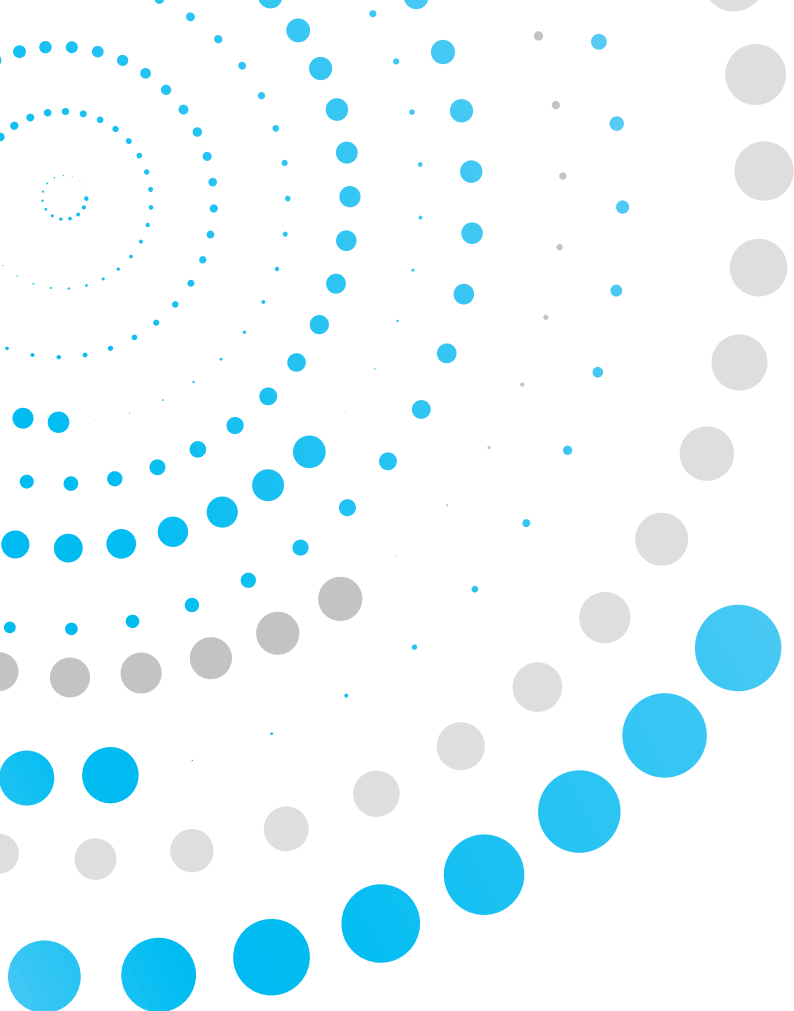
Period covered: April 2019 to March 2020

(t per year)

Ordinance No.	Name of Class 1 Designated Chemical Substance	Amount handled	Amount released				Amount transferred	
			Atmosphere	Public waters	Soil	Landfill	Sewerage	Waste
20	2-aminoethanol	14.1	-	0.0	-	-	-	0.0
30	Linear alkylbenzene sulfonate (LAS)	1.2	-	0.0	-	-	-	-
71	Ferric chloride	6.2	-	-	-	-	-	-
80	Xylene	71.8	1.2	-	-	-	-	0.5
88	Hexavalent chromium compound	1.7	-	-	-	-	-	1.5
296	1,2,4-Trimethylbenzene	81.0	0.1	-	-	-	-	-
300	Toluene	7.8	7.5	-	-	-	-	0.3
332	Arsenic and its inorganic compound	1.7	-	-	-	-	-	-
374	Hydrogen fluoride and its water-soluble salts	627.6	0.2	0.0	-	-	-	243.0
405	Boron compound	1.3	-	0.0	-	-	-	-
407	Poly (oxyethylene) alkyl ether	21.6	-	0.0	-	-	-	2.2
410	Poly (oxyethylene) nonylphenyl ether	43.0	-	-	-	-	-	43.0
438	Methylnaphthalene	9.1	0.0	-	-	-	-	-
Total		888.1	9.1	0.1	-	-	-	290.4

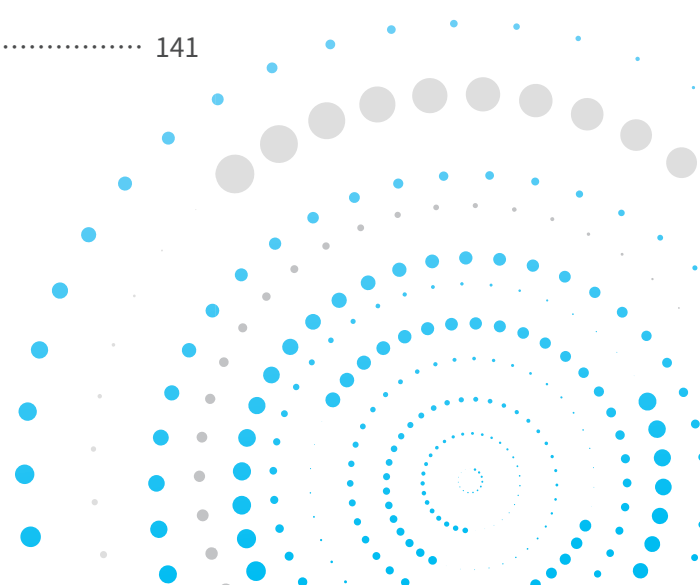
* The amount handled is not equal to the total amount released and transferred because some substances were released after decomposition and detoxification.

► To ESG-oriented Investors



Social

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Speedy, Accurate and Fair Disclosure of Corporate Information

Why SUMCO Addresses Information Disclosure

SUMCO makes every effort to enhance management transparency and earn legitimate recognition of its corporate value from shareholders and investors by releasing information including the Company's management vision, the status of its business activities and financial performance in a speedy, accurate and fair manner. We also undertake activities to continually improve corporate value by reflecting the feedback received from shareholders and investors in our management.

Basic Policy on Information Disclosure

SUMCO believes timely and appropriate disclosure of corporate information to investors is a core element in ensuring a sound stock market. The Company shall commit itself to speedy, accurate and fair disclosure of corporate information while always adopting the perspective of investors. Corporate information that is useful in investor decision-making shall be actively disclosed even when not mandated by laws and regulations.

Information Disclosure System

The Public Relations & IR Department is responsible for dialogue with shareholders and other investors, under the supervision by executive management, the results of which are reported to the Board of Directors and executive management as needed. Top management also provides its own explanations during financial results briefings held quarterly and also takes part in individual meetings with shareholders and other investors as needed.

When engaged in IR activities, the necessary information is collected from the relevant departments and coordinated and summarized by the Public Relations & IR Department. The details of IR activities are also confirmed by top management in advance, with due care in handling insider information.

Through these activities, SUMCO reflects feedback and requests from shareholders and investors in management in an effort to achieve sustained growth and enhance its corporate value in the long-term.

Communication with Shareholders and Investors

General Meeting of Shareholders

SUMCO positions General Meeting of Shareholders as the occasion where important decisions on the Company's policies and other matters are made as well as an opportunity to have dialogues with shareholders.

We are engaged in early dispatch of the notice of convocation, posting on our website and preparation for the English translation.

We also effort to provide explanations of the details of business report and answer questions asked by shareholders during meetings in as clear a manner as possible by utilizing narrated video footage.

IR Activities

The Timely Disclosure Network (TDnet) of the Tokyo Stock Exchange is utilized to disclose information that needs to be disclosed in a timely fashion, and documents are posted both in Japanese and English simultaneously on our website to ensure the fair disclosure of information to shareholders and investors in Japan and overseas. Our Annual Report and Message to Shareholders are also published to convey messages from top management and report on business performance and conditions.

As well as regularly held meetings with institutional investors and securities analysts, SUMCO also periodically provides company briefings to individual investors and organizes visits to overseas institutional investors in Europe, North America and Asia to help investors develop a better understanding of the Company.

While some IR activities for overseas stakeholders were postponed in fiscal year 2020 due to the COVID-19 pandemic, briefings on financial results led by senior management were held quarterly. SUMCO also actively participated in domestic and overseas conferences, and held web- and tele-conferences with investors.



Message to Shareholder



Annual Report 2020

▶ To ESG-oriented Investors

The Pursuit of Quality and Reliability

Why SUMCO Addresses Quality and Reliability

As a company that manufactures silicon wafers that represent the base materials for the semiconductors installed in all kinds of electronic devices, we see it as a social responsibility of the highest priority to ensure the safety and reliability of our products while making sure they comply with all applicable laws, ordinances and regulations.

For this reason, the SUMCO Group makes every effort to implement the stable supply of products that meet the quality requirements of customers and further boost customer satisfaction by implementing quality management in an appropriate and effective manner.

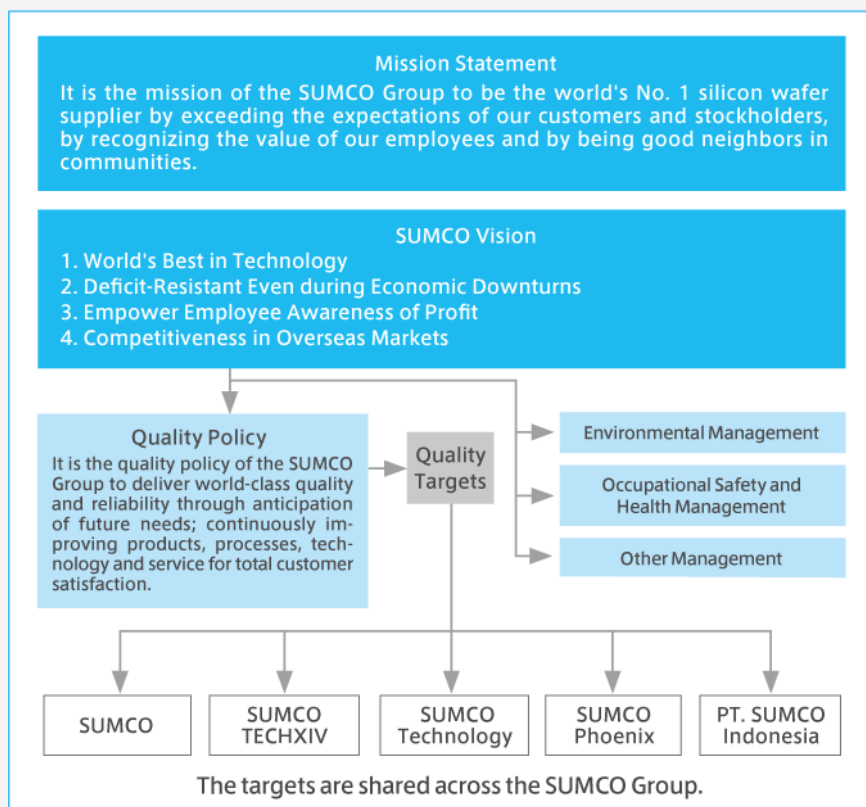
The SUMCO Quality Policy

It is the quality policy of the SUMCO Group to deliver world class quality and reliability through anticipation of future needs; continuously improving products, processes, technology and service for total customer satisfaction.

Quality Control System

In the SUMCO Group, all sites including affiliate companies in Japan and overseas have obtained IATF 16949 and ISO 9001 certifications. We strive to ensure stable levels of quality as well as further enhance it, and have made continuous improvements to our quality management system.

The SUMCO Group Mission Statement, Quality Policy and Targets



Quality Education

To enhance product reliability and safety, it is necessary for not only those in charge but also each worker to have the mindset of a supervisor and improve their skills.

For this reason, we have developed quality education programs for each job and level of employee and assigned instructors for each education program to each production site to provide necessary education to the human resources that need it whenever required.

In 2020, having taken steps to deal with COVID-19, the SUMCO Group conducted around 210 internal seminars in an effort to enhance the knowledge and awareness of quality control on the part of employees.



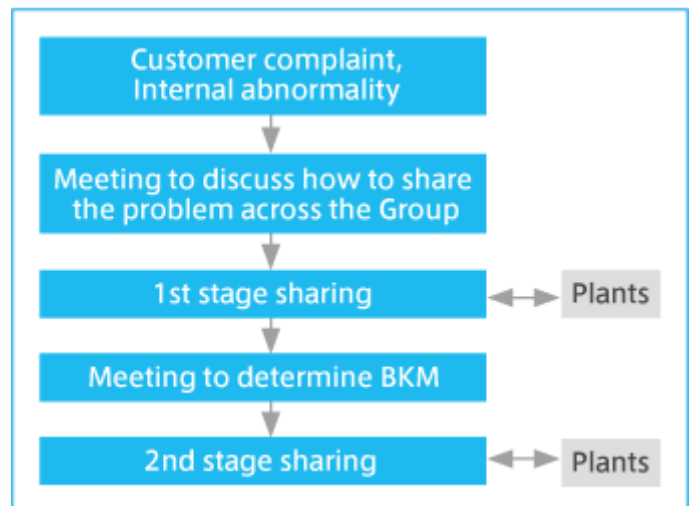
Quality education at one of the SUMCO seminars

Response to Quality Problems

Should a plant become the subject of a customer complaint, experience an abnormality or other quality problem, the plant handles the problem immediately, investigates the cause and takes measures to prevent recurrence, in order to minimize the impact on customers.

When complaints or internal abnormalities occur, we consider the best known method (BKM) to prevent recurrences and swiftly deploy a response throughout the entire SUMCO Group as needed, and build systems to ensure similar issues do not occur in the future.

Flow for Sharing Quality Problems



Initiatives to Improve Customer Satisfaction

Conducting Customer Satisfaction Surveys

To maintain our "first call" status among customers, evaluations received from customers are shared with relevant departments each time for continuous improvements, and analyzed from four different aspects: quality, cost, delivery and service (QCDS).

The results of analysis are shared among management and other relevant departments, incorporated into the improvement plans of each department, and used to further enhance customer satisfaction.

Communication with Customers

To further enhance customer satisfaction, we strive to improve the quality of products and services through two-way communication with customers.

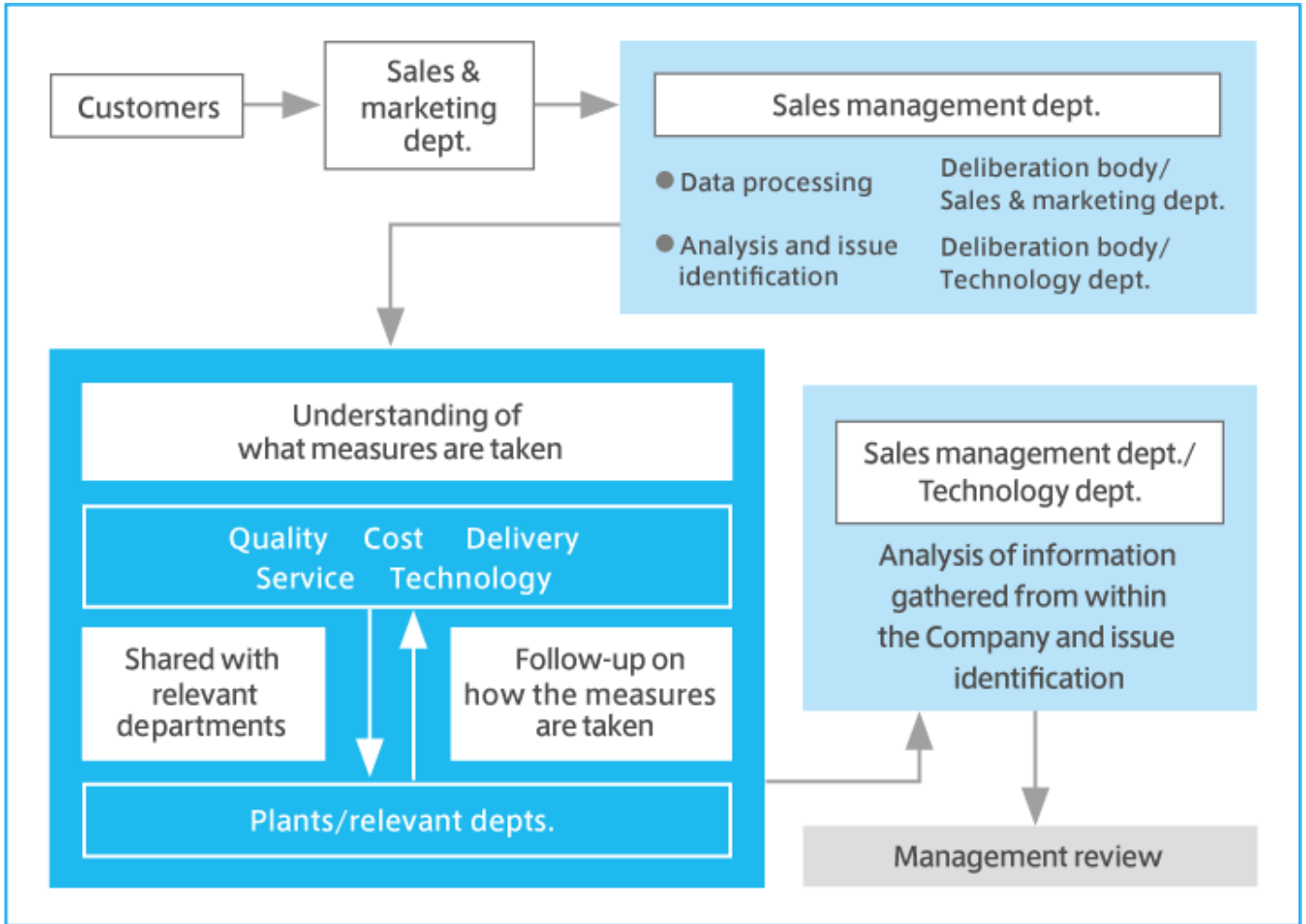
As part of this initiative to promote communication with customers, we proactively hold technical communication meetings both domestically and internationally in order to grasp customer needs accurately and at an early stage, foster technological development at a rapid pace, and reliably provide products that match customer needs.

At the technical communication meetings, we make proposals based on our unique technologies, as well as check and follow up on the performance of our products. We position these technology conferences as opportunities to win recognition and trust from customers. The feedback and demands of customers learned from the technical communication meetings are utilized for continuous product improvement of our products and are reflected in business plans, such as for formulating technology development roadmaps that accommodate customers' needs for higher precision and enable product differentiation. By doing so, we strive to gain and maintain a strong presence among customers.

In 2020, we were unable to hold in-person technical communication meetings due to the COVID-19 pandemic, but we continued to communicate with customers through web conferencing systems and other means.

Through these SUMCO Group initiatives to promote close communication with customers, we endeavor to provide the most appropriate information.

Flow for Sharing Customer Satisfaction (CS) Evaluation Information



Ensuring the Safety of Products

Management of the Chemical Substances Contained in Products

SUMCO ensures that the chemical substances regulated by law or those that customers have asked us to eliminate or reduce the use of are managed properly according to internal rules and standards.

Provision of Safety Data Sheets (SDS)

SUMCO makes available safety data sheets (SDS) based on JIS Z7253 to provide information on the related hazards of chemical substances used by the Company and to give instructions on how to handle them safely.

▶ To ESG-oriented Investors

Supply Chain

Why SUMCO Addresses the Supply Chain

Year after year, stakeholders have been exhibiting a growing interest in companies' social responsibility through the supply chain in the course of their business activities.


In light of these growing concerns, the SUMCO Group believes it is important to share CSR-related societal demands with suppliers and to collaborate with them on issues including human rights, labor, safety, the environment and ethics in the supply chain.

Procurement Policy

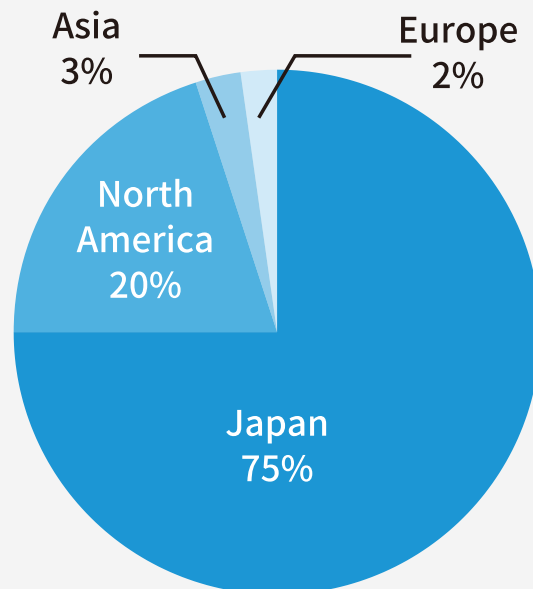
In our procurement activities, SUMCO strives to engage in fair and rational trade with all suppliers, both domestic and overseas ^{*1}, based on mutual trust.

With the cooperation of all suppliers, we also actively promote initiatives to fulfill our corporate social responsibilities, including compliance with related laws, ordinances and social norms, and efforts to support global environmental conservation.

<Procurement Policy>

1. Transactions based on partnership
We will develop favorable partnerships with our suppliers based on mutual trust.
2. Fair transactions
We will ensure that our procurement is clean, open and fair.
3. Promotion of value analysis (VA) activities
We will encourage our suppliers to conduct value analysis (VA) activities in order to propose cost improvement methods, new materials, new technologies and others, and will actively adopt such proposals.
4. Compliance in procurement activities
We will comply with laws, ordinances and social norms in the course of our procurement activities.
5. Fulfillment of corporate social responsibilities
We will fulfill our social responsibilities when conducting procurement activities across our entire supply chain, including our suppliers.
[▶ SUMCO CSR Procurement Policy \[95KB/3Pages\]](#) 
6. Green procurement
We promote the procurement of materials with minimum environmental impact.

*1 [Reference] Procurement amount ratio by area in 2020



Management System

In addition to procurement departments, the departments at SUMCO responsible for quality assurance, CSR, environmental management and safety and health coordinate on the selection of new suppliers, evaluation of existing suppliers, establishment of procurement plans and other supply chain management efforts. Specifically, we issue various questionnaire forms (described later) and collect the responses, conduct written or on-site audits and due diligences on quality, CSR and the environment respectively and reflect the results obtained from these efforts in our assessment of suppliers in an effort to develop a more robust supply chain.

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.

CSR Procurement Activities

Basic Stance on CSR Procurement

SUMCO has established the SUMCO CSR Procurement Policy and it promotes responsible procurement activities to fulfill its social responsibilities across the supply chain. We share various issues related to the supply chain with all suppliers, both domestic and overseas, and tackle procurement activities while keeping those issues in mind to ensure that customers can use our products confidently and to satisfy our stakeholders.

▶ SUMCO CSR Procurement Policy [95KB/3Pages] 

Through periodic briefings to suppliers and procurement activities such as those described below, we request our suppliers to make voluntary efforts to promote CSR management.

(1) Briefings on CSR Procurement

We share the SUMCO CSR Procurement Policy with our suppliers at regularly held briefing sessions, and through separate briefing sessions and CSR audits, we explain the SUMCO CSR Procurement Policy, SUMCO Environmental Policies and RBA (Responsible Business Alliance) Code of Conduct and provide advice on compliance with these standards. In this way, SUMCO continues to deepen suppliers' understanding of the Company's labor, safety/health, environment and ethics-focused efforts towards CSR procurement.

Briefing Sessions for Suppliers

Briefing Sessions for Suppliers (In 2020, we held the session by web-based meeting due to COVID-19.)

■ November 19, 2020 – web-based meeting (387 people from 221 companies)

(2) Supplier Handbook

To help suppliers understand our approach to procurement activities, we distribute Supplier Handbook, which includes a section on our procurement policy and requests to suppliers including items relating to CSR. The Supplier Handbook is posted on our dedicated procurement website used in SUMCO's daily procurement activities for easy reference at any time by suppliers.

In this handbook, we ask suppliers that comprise our supply chain to promote CSR. As guideline to be followed in implementing CSR management, we ask suppliers to utilize the RBA Code of Conduct, and also encourage subcontractors and sub-subcontractors to implement CSR management in a similar fashion.

(3) Green Procurement Guidelines

To promote the procurement of products with a minimal environmental impact (green procurement), we have also posted Green Procurement Guidelines on the dedicated procurement website. The guidelines summarize relevant laws and ordinances, the RoHS Directive, REACH regulations, prohibited or controlled substances designated in customer requests and other pertinent information.

(4) Raw Material Surveys

SUMCO's procurement and environmental management departments work together to promote green procurement by asking suppliers to submit certificates of non-use of prohibited substances as well as issuing and collecting various questionnaires, in order to confirm that substances specified in the Green Procurement Guidelines are not being used.

(5) CSR Questionnaires and Audits

We distribute and collect CSR questionnaires based on the RBA Code of Conduct to our main suppliers to review the status of CSR initiatives at each company. The questionnaires are issued to the suppliers we regard as important because we purchase large amounts from them and they are essential to our production activities. There are more than 200 such companies, and SUMCO has managed to secure responses from almost all of them. Based on the results of these questionnaires, we conduct regular CSR audits that include field audits of a given number of suppliers. Along with providing explanations of our CSR procurement policy and environmental policy and asking for understanding and cooperation, we verify the state of compliance with each of the items on the CSR questionnaire such as human rights, safety, environment, ethics, and management systems, as well as confirming the status of improvements.

The CSR Audit found suppliers who had not conducted training on how to prevent insider trading for several years, suppliers who had not adequately managed expiration dates for legally stipulated safety and environmental qualifications and suppliers who had failed to secure emergency exits and escape routes for employees. SUMCO requested the understanding of suppliers and asked them to correct these issues, leading suppliers to improve their operations. Although we did not conduct the CSR Audit in 2020 due to COVID-19, SUMCO Group will continue to promote CSR management in our supply chain.

Major Items in the CSR Questionnaire

1. Human Rights and Labor

(1) Freely chosen employment

Examples: Prohibition of forced and bonded labor

(2) No use of child labor

Example: Prohibition on child labor, not having young workers engage in dangerous work

(3) Limitation on Working Hours

Example: Compliance with laws and ordinances on working hours and holidays

(4) Lawful Wages

Examples: Compliance with laws and ordinances on minimum wages

(5) Humane Treatment

Examples: Respect for human rights, prohibiting harassment and establishing disciplinary mechanisms

(6) Non-Discrimination

Examples: Prohibiting discrimination on the basis of race, nationality, gender, age, sexual orientation, religion, disabilities or other traits

(7) Freedom of Association

2. Safety and Health

(1) Occupational Safety

Examples: Obtaining and renewing permits and licenses, providing personal protective equipment

(2) Preparedness for Emergency

Examples: Setting up appropriate emergency evacuation doors and evacuation routes, conducting drills

(3) Prevention of Occupational Injury and Illness

3. Environment

(1) Compliance with Environmental Laws and Ordinances

Examples: Obtaining the necessary licenses and other permits, compliance with environmental standards

(2) Pollution Prevention and Waste Reduction

Examples: Reducing waste and greenhouse gases, controlling wastewater

(3) Reduction in Energy Consumption and Greenhouse Gas Emissions

4. Ethics

(1) Compliance with Laws

Examples: Prohibiting bribery and corruption, establishing internal reporting systems

(2) Fair Business Activities

Examples: Compliance with laws and ordinances on fair trade, competition and advertising

(3) Information Management

Examples: Appropriate management of customer information and protection of intellectual property rights

5. Business Continuity

(1) Risk Assessment and Risk Management

(2) Business Continuity Plan (BCP)

6. Management Systems

(6) Training for Procurement Staff

SUMCO's procurement staff also need sophisticated expertise and a compliance-oriented mindset to conduct the CSR procurement activities listed above. By training staff about the SUMCO Charter of Corporate Conduct and providing departments in charge of procurement with opportunities to train themselves regarding laws and regulations every year, the Company aims to increase employee understanding and awareness regarding the background and meaning of the SUMCO CSR Procurement Policy, legal compliance, unfair competition and improper transactions, anti-corruption and respect for human rights.

Risk Management within Procurement Activities

We work to identify the many risks facing the company in its procurement activities, including risk of instability in procurement of raw materials, risk of corruption, risk of legal violation and risk of use of controlled or prohibited substances. We assess the extent of impact should any of these risks materialize, assign priorities to them, and implement management measures according to the level of each risk. (Refer to the section titled "[Risk Management](#)" for details.)

When selecting new suppliers or evaluating existing suppliers, we conduct risk assessment on various risks such as disruptions to raw material procurement, comprehensive corruption risk, violation of laws and risk of using regulated/prohibited substances, asking suppliers with high-risk items to improve their operations to prevent risks.

Strengthening of Business Continuity Plans for Material Procurement

SUMCO promotes optimum inventory control and multiple sources for procured materials according to the level of risk involved.

If a disaster or accident should occur, we will immediately launch an investigation into its impact, while we take all possible steps for emergency procurement, including finding alternative suppliers and adopting alternative products, thus ensuring the necessary framework to do all we can to minimize the impact on production.

1. Continuing optimum inventory control based on the characteristics of each procured material
We will review inventory quantities, storage sites, transportation methods and other aspects for each type of material whenever necessary.
2. Source investigation and risk response
We will investigate and confirm production sites and sources of major items and respond according to the level of risk involved.
3. Maintenance, enhancement and review of business continuity plan for each item procured
We will develop business continuity plans for each major item so that we can properly respond to the occurrence of any risk.
4. Risk assessment of suppliers
We will periodically conduct checks on our main suppliers with respect to their financial condition, production systems, business continuity plans and other aspects, and respond appropriately based on the results.

Initiatives to Reduce Environmental Impact

Through the aforementioned CSR questionnaires and CSR audits, SUMCO strives to reduce environmental impact across the entire supply chain by incorporating items designed to review initiatives aimed at reducing the amount of waste generated, curbing greenhouse gas emissions and reducing the use of electricity, water and energy, and by recognizing suppliers implementing continually concrete reduction activities by setting numerical targets or taking other measures. Besides getting suppliers to understand the SUMCO Basic Environmental Policy, education and training are provided in such areas as environmental accident prevention and legal compliance.

► To ESG-oriented Investors

Respect for Human Rights

SUMCO's Basic Policy on Human Rights

The SUMCO Group regards respect for basic human rights to be an important social responsibility. We pursue a number of initiatives to be a company that "values people" and respects the human rights of all people associated with the SUMCO Group.

The SUMCO Group looks towards international standards such as the Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights. In the SUMCO CSR Policy, we pledge to ensure a safe, health, comfortable and appropriate workplace, maintain a strong respect for human rights, abilities and personalities, and to achieve equal opportunity employment, ensure the fair treatment of employees and realize diverse ways of working. To this end, we strive to create a workplace where employees are motivated to work hard. Based on this policy, SUMCO Group's Code of Corporate Conduct and various regulations clearly define rules prohibiting workplace harassment (bullying or teasing) and other conduct in violation of human rights based on illegitimate reasons such as race, religion, gender, nationality, age, sexual orientation, and disability. In addition to establishing the internal reporting hotline, translating the regulations into various languages and educating to increase human rights awareness among all employees of the Group, we have also established human rights violation and harassment consultation services at each Company site in Japan. We not only prohibit child labor, but base our business activities on a clearly defined, written policy which respects the rights of every child and prohibits forced labor. We had no problems with child labor and forced labor. In accordance with the labor laws and regulations of each country, we work to build trust between labor and management while respecting employees' freedom of association and their right to organize and engage in collective bargaining. We also offer working conditions including wages that are appropriate to living standards in light of minimum wages, and strive to manage working hours appropriately by reducing excessive overtime. SUMCO develops guidelines based on the above and shares them internally by posting them to the Company intranet.

Promotion Framework

The SUMCO Group in Japan annually convenes the Human Rights Awareness and Promotion Committee, as a framework to promote employee awareness of human rights issues. The committee confirms the policies and details of human rights awareness initiatives, while each plant or Group company implements activities in line with this policy. The activities include invitation of outside experts to give talks and awareness training using audiovisual materials. In examining new businesses, we look at the laws of the country in question and other possible human rights/labor risks, and to ensure there is no discrimination based on factors unrelated to the legitimate interests of the business, we conduct internal training on the aforementioned policies.

Major Themes Covered in Human Rights Awareness Training

- Respect for diversity (especially gender, sexual orientation, etc.)
- Human rights for the elderly
- Workplace harassment
- Sexual harassment
- Harassment related to pregnancy, childbirth, childcare or nursing care leave in the workplace
- Mental health issues in the workplace
- Measures based on the number of consultations to the consultation service in the year, harassment, etc.

Maintaining and Enhancing a Pleasant Working Environment

SUMCO regularly educates for all employees on various forms of harassment, aiming to prevent all forms of discrimination, and makes every effort to improve awareness of these issues in the workplace.

In addition, we formulate and implement action plans aimed at improving the working environment at each workplace by conducting a stress check each year as part of our health management initiatives and adding items related to employee satisfaction to the stress check.

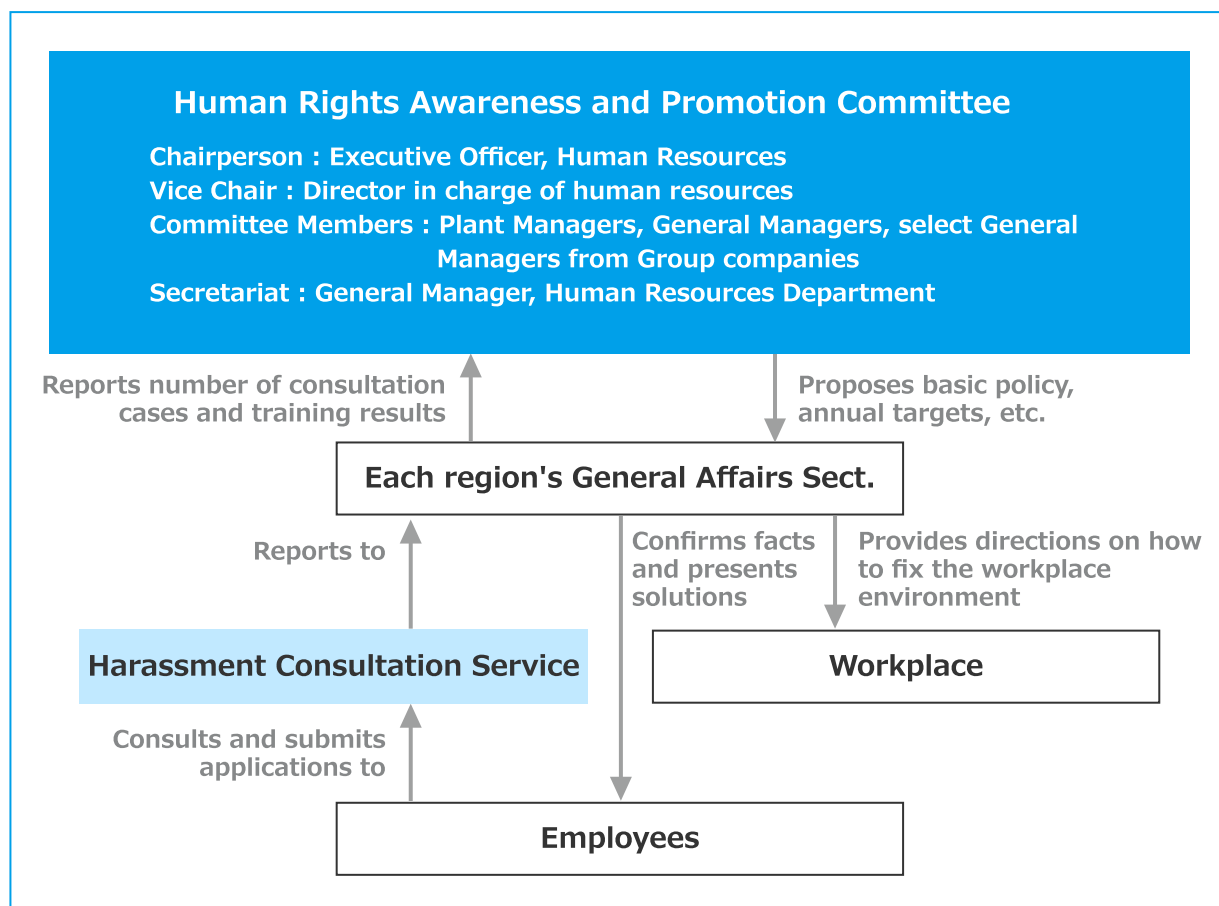
Seeking to eliminate all forms of employment discrimination, we also actively pursue initiatives such as attending lectures held by the U.S. Equal Employment Opportunity Commission (EEOC), as well as ADA (Americans with Disabilities Act) training seminars.

Additionally, as a part of efforts to maintain and enhance a pleasant workplace environment, the SUMCO Group also conducts various in-house recreation activities and deepens exchanges between employees at each site to revitalize workplace communication.

Establishment of a Harassment Consultation Service

SUMCO has established a Harassment Consultation Service to serve as the point of contact for employees to consult about issues related to human rights violations and harassment. To ensure that employees can casually seek advice at any time, the consultation services are staffed by both male and female consultants who work based on three principles: (1) protecting the privacy of employees seeking consultation; (2) prohibiting disadvantageous treatment of related persons; and (3) dealing with consultations in a fair manner. In particular, the service accepts consultations by e-mail or telephone to keep them confidential. Each consultation request received is investigated in the relevant department, measures for rectification and prevention of a recurrence are taken as the situation calls for, and the results are reported to management, while the consulting party is given feedback. In addition, the results are shared with the Human Rights Awareness and Promotion Committee, putting them to Group-wide use in measures for preventing a recurrence. In 2020, the Harassment Consultation Service handled two consultation cases.

Harassment Consultation Service System



Harassment Training

We hold harassment training to eradicate harassments for management-level staff in each region. In 2020, a total 442 staff members underwent the training.

Response to Labor Standards Violations

Based on the ILO Labor Principles, the Group strives to comply with the labor standards and regulations of each country. When an administrative directive for a labor standard violation is issued by a governmental authority, the SUMCO Group submits a report on the directive to the upper management and members of the Audit and Supervisory Committee, ensures that corrective action is undertaken throughout the Group, and works to raise awareness of the issue and prevent it from reoccurring.

Labor-Management Relations

The SUMCO Group grants consideration to and respects the rights of all employees, including employees' right to freedom of association based on the laws of the countries and regions in which the SUMCO Group does business. We also aim to strengthen labor-management relations while respecting employees' right to assembly and collective bargaining.

In Japan, for example, the labor agreement concluded between the Company and workers, in addition to rules, sets out as a basic policy that issues between labor and management are to be resolved through collective bargaining and discussion based on mutual understanding and trust, aimed at the perpetual development of the Company and improvement of working conditions, while recognizing the rights of the labor union to assembly, collective bargaining, and strike.

For that purpose, high-level labor-management meetings are generally held twice a year with the aim of promoting communication between labor and management, and business operations are managed with shared information and challenges.

In addition, at production briefings and labor-management meetings held once a month at each plant, the plant managers and union representatives meet to exchange information and views concerning the production situation and other matters.

Meanwhile the Labor-Management Study Committee meets regularly throughout the year to discuss important labor-management issues such as the improvement of working conditions and review of various systems from multifaceted, holistic and long-term perspectives, thus allowing labor and management to work closely together to address various issues. The ratio of labor union members to the employees of our company and domestic group companies is 89%.

Compliance with Fair Wages

Average income per employee for fiscal 2020 was 6,489,000 yen. At SUMCO, we divide the compensation systems of employees into different courses according to the work they undertake, and based on the basic concept of “equal pay for equal work,” we properly compensate employees based on their abilities, performance and contribution levels, offering the same treatment irrespective of gender. The SUMCO Group also follows laws and regulations regarding minimum wages in each country, and fulfills its obligation to pay employees appropriate wages based on the local cost of living and other factors.

Employee Benefits Programs

SUMCO and Group companies in Japan offer employees a wide range of benefits packages as guarantees for the future. In addition to Japan’s social security system, these include additional health insurance association payments, and individual options such as enrolment in an employee shareholding association, property accumulation savings, and group life insurance.

Human Resources Development

As declared in the SUMCO Vision, SUMCO aspires to become the "World's Best in Technology." To reach this goal, diversified training opportunities are provided to employees at all levels, from new recruits to managers and executives. We encourage employees to stay abreast of the changing times, making every effort to foster the development of human resources who will be able to think and act independently. Each year, up-and-coming engineers are also given the chance to present their research findings to senior management as a means of enhancing their motivation. In addition, we dispatch a certain number of engineers to the doctoral program at domestic universities every year to develop highly specialized technical personnel.

In pursuit of "Empower Employee Awareness of Profit," another element to the SUMCO Vision, the SUMCO CEO AWARD was established as the SUMCO Group's highest award, part of a measure to boost employee awareness of participation. The award is annually presented to individuals and organizations that have made meaningful contributions to enhancing corporate value. Along with this award, the Group also holds presentations by TPM teams annually in order to recognize outstanding success.

Moreover, to achieve "Competitiveness in Overseas Markets" as declared in the SUMCO Vision, we are working to cultivate an awareness of understanding and respecting a diverse range of cultures and values within the Group, and are endeavoring to develop globally competitive human resources by enhancing programs such as study abroad and foreign language learning schemes.

In 2020, a total 20,254 hours of company-wide training was held by departments in charge of human resources.

Undergoing regular review, the training programs are revised in line with changing needs; moreover, many suggestions received from outside directors with a wealth of experience in training and education are incorporated, aimed at making them better programs.



Engineer Presentation Contest



Engineer Presentation Contest

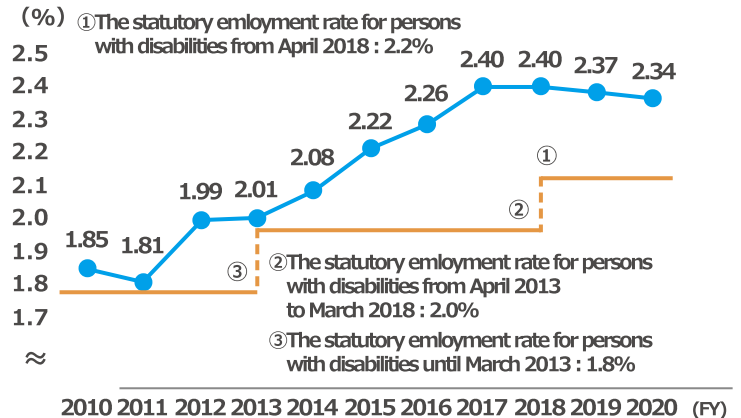
Utilizing and Developing a Diverse Workforce

Employment of People with Disabilities

The SUMCO Group is actively working to employ persons with disabilities, as demonstrated by SUMCO establishing a company that specifically hires persons with disabilities in Japan. In 2020, 1.71% of SUMCO Group's workforce worldwide was comprised of persons with disabilities. Looking only at Japan, that number comes to 2.34%.

Moving forward, the SUMCO Group will continue its efforts to fit the right person to the right job in order to help individual employees reach their full potential, as well as to provide employment opportunities and maintain and improve supportive work environments for people with disabilities.

Employment Ratio of People with Disabilities (SUMCO Group [Japan])



* The figure for each fiscal year is the average of the period from January to December of the following year.

Employment of Older Workers

We have set up a re-employment system by which employees, if they are well-motivated and wish to continue working after mandatory retirement at age 60, can continue working until age 65. This allows them to continue working while leveraging their extensive experience, sophisticated skills and high-level abilities.

Additionally, by maintaining the same compensation applied at the time of mandatory retirement even after a regular employee is re-employed, the system allows employees to contribute with a strong sense of motivation even after reaching mandatory retirement age.

Utilization of Global Talent

The SUMCO Group maintains manufacturing plants in the US, Taiwan and Indonesia, as well as sales offices around the world. By utilizing local hiring and actively working to hire talented global human resources regardless of nationality, the SUMCO Group seeks to achieve even further growth as a global company.

Number of Employees (full-time equivalents)

	Regular employees (As of Dec. 31, 2020)		Temporary employees (2020 average)
SUMCO	4,011		432
Consolidated	8,199		767
	Japan	5,885	
	Overseas	2,314	

Number of Employees by Region (Consolidated)

Region	Number of employees (As of Dec. 31, 2020)
Japan	5,885
North America	594
Southeast Asia	333
East Asia	1,364
Europe	23
Total	8,199

Breakdown of Employees (Consolidated)

	Managers	General employees	Total (As of Dec. 31, 2020)
Male	754	6,691	7,445
Female	52	702	754
Total	806	7,393	8,199

Measures to Help Employees Balance Work and Childcare Responsibilities

To provide employees who are raising children with a more comfortable workplace environment and to help them balance work with child-rearing, SUMCO has established child-care leave periods that are longer than required by law, along with a diverse short working hour system. In 2016, the Company set up SUMCO Nursery School Imari as an in-house day-care facility at our Kyushu Plant in the Imari area, the largest site across the SUMCO Group. We also provide a day-care support allowance at sites other than the Imari area.

Additionally, as a new form of regional contribution, the facility is also a community day-care service based on the Japanese government's Comprehensive Support System for Children and Childrearing. Accordingly, a portion of the capacity is made available to local residents who are not SUMCO employees.

PT.SUMCO Indonesia also offers a scholarship program for the children of its employees. Looking ahead, SUMCO will continue to pursue a variety of initiatives to put in place a workplace environment in which a diverse array of employees can excel while ensuring a harmonious relationship with the local community.



Scholarship program event at PT.SUMCO Indonesia

2020 Data

Number of harassment consultation cases		2
Number of participants in harassment training for management-level employees		442
Resignation rate for personal reasons among permanent employees (graph below shows the change in the past turnover rate)		0.77%
Human resource development	Total hours of company-wide training held by the Human Resources Dept.	20,254 hours
	Percentage of employees who attended the above training	17%
	Training hours per employee	5.1 hours
Percentage of persons with disabilities employed	Global Total	1.71%
	Japan Only	2.34%

Change in resignation rate among permanent employees

	2016	2017	2018	2019	2020
Resignation rate for personal reasons	0.69%	0.57%	0.66%	0.83%	0.77%
Men	0.71%	0.43%	0.62%	0.73%	0.70%
Women	0.44%	2.53%	1.16%	2.08%	1.60%

▶ To ESG-oriented Investors

Support Raising Next-Generation Children

to implement the Act on Advancement of Measures to Support Raising Next-Generation Children

SUMCO Action Plan

We have established our Action Plan in a bid to enable employees to perform fully to their ability by developing child-care support arrangements under which employees with small children balance their work and child-rearing and by enhancing comfortable and pleasant working environment for all employees.

1. Time Period

From April 1, 2019 to March 31, 2024 (five years)

2. Plan

Goal 1

Promotion of understanding of our child-care support system and increase in number of employees utilizing the system.

Action

1. Enhancing our child-care support system by promoting and improving convenience of our intra-company nursery school, etc.
2. Fully disseminating our child-care support system by posting necessary and useful information on our intranet, etc.
3. Reviewing utilization status of our child-care support system annually, and promoting awareness building activities to improve utilization ratio.

Goal 2

Continuous review and consideration of various measures for materialization of work-life balance.

Action

1. Continuously reviewing and considering effective and practicable measures to materialize work-life-balance.

Goal 3

Overtime reduction and encouragement to take paid leave in a bid to help employees with small children balance their work and child-rearing.

Action

1. Maintaining proper overtime management and further improving management awareness of overtime.
2. Reviewing and considering effective measures to increase the rate of taking annual paid leave in addition to the minimum five days paid leave per year under the Labor Standard Act.

Initiatives for Safety and Health

Why SUMCO Addresses Safety and health

The safety and health of employees is essential for them to be able to reach their full potential and work with vitality. The SUMCO Group sees ensuring the safety and health of its employees as one of its crucial social responsibilities.

In the SUMCO CSR Policy, the SUMCO Group pledges to "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." Based on this, the SUMCO Group promote safety and health initiatives under the following basic principles and policy.

SUMCO Group Basic Policy on Safety and health

Basic Principle

Under the principle that "the safety and health of employees takes the highest priority over all," the SUMCO Group is committed to "creating a safe and pleasant workplace environment supportive of good mental and physical health" through leadership by supervisors and through active communication across the organization.

Basic Policy

1. We will collectively and thoroughly strive to create a workplace where all members adhere to relevant laws and regulations as well as rules stipulated in manuals and work procedures.
2. In the event of any work-related accidents, we will collectively and thoroughly analyze the root causes and implement measures to prevent their recurrence.
3. We will collectively and thoroughly strive to create an open workplace environment, as well as to maintain and promote their mental and physical health and to prevent occupational illnesses.
4. We will collectively and thoroughly engage in raising awareness of traffic consideration and promote traffic safety initiatives as models for society.

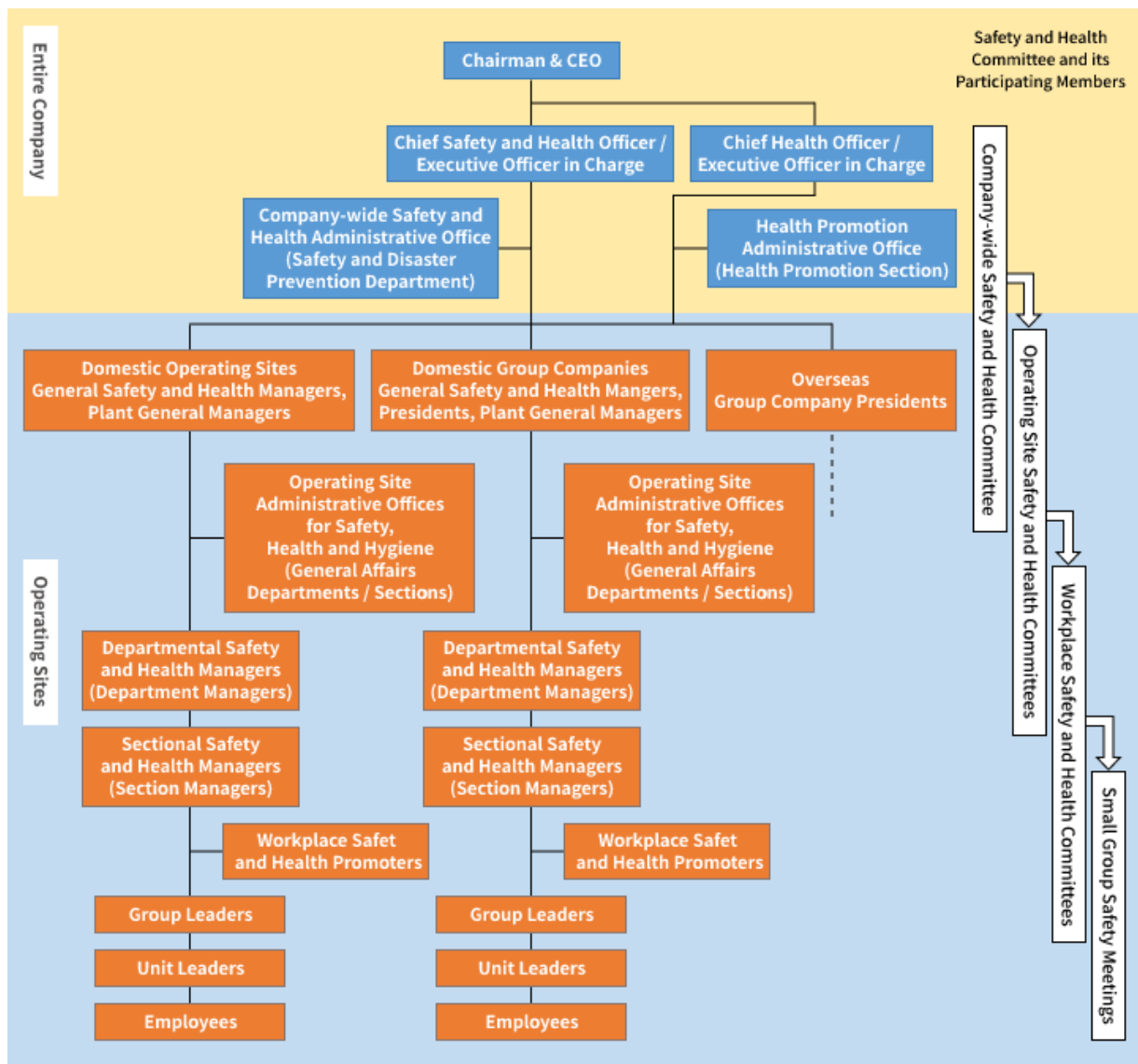
Safety and health Initiatives

Promotion Framework

For the purpose of maintaining and enhancing the Group's levels of safety, health and hygiene, the SUMCO Group annually convenes the Company-wide Safety and Health Committee in which report on the status of safety and health-related initiatives and information sharing are made. The committee, attended by the Chief Health Officer and other executives, reports on Group-wide activities related to safety, health and hygiene management as well as major work-related accidents, and also reviews and approves safety, health and hygiene-related issues and targets to be addressed in the following fiscal year.

Additionally, each plant defines policies and objectives related to safety and health for each fiscal year based on company-wide safety and health issues, and engages in daily activities to achieve those objectives, through operating site safety and health committees, workplace safety and health committees and small group safety meetings.

Company-wide Safety, Health and Hygiene Promotion Structure



Meetings and Committees (Communication) Related to Safety, Health and Hygiene

Level	Meeting	Frequency	Main Participants	Functions
Company-wide	Company-wide Safety and Health Committee	Once a year	Chairman, officers, presidents of affiliate companies, plant general managers, department managers, labor union executive board, industrial physicians, company-wide and operating site safety and health administrative offices	Review and discussion of SUMCO Group safety, hygiene and health management policies and measures
	Production Division Safety and Health Committee	Once a year	Chief Safety and Health Officer / Executive Officer in Charge, executive officers, plant general managers, industrial physicians, company-wide and operating site safety and health administrative offices	Review and discussion of Production Division health, hygiene and safety measures
	Labor-Management Safety Round-Table Meeting	Twice a year	Labor union executive board (three highest ranks of the board, union branch manager), company-wide safety and health administrative office	Review and discussion of SUMCO Group (domestic) safety, hygiene and health measures
	Meeting of Safety and Health Personnel	Once a month	Company-wide and operating site safety and health administrative offices	Review and discussion of SUMCO Group (domestic) safety, hygiene and health measures
	Overseas Affiliate Company Safety Liaison Meeting	Six times a year at each company	Overseas affiliate company presidents and safety and health administrative offices, company-wide safety and health administrative office	Explanation of SUMCO Group (domestic) safety and health measures, and exchange of information on domestic and overseas activities
	Workplace Safety and Health Promotion Personnel Exchange Meeting	Once a month	Workplace safety and health promotion personnel, company-wide safety and health administrative office	Explanation of SUMCO Group (domestic) safety and health measures, and exchange of information on activities between operating sites
	Safety and Disaster Prevention Department Inspections	Nine times a year	Managers of each department, workplace safety and health promotion personnel, company-wide and operating site safety and health administrative offices	Confirmation and discussion on the implementation status of SUMCO Group (domestic) safety, hygiene and health-related measures
Operating Site	Safety and Health Committee	Once a month	General safety and health manager, plant general managers, labor union branch management, industrial physicians, operating site safety and health administrative offices	Review and discussion of operating site safety, hygiene and health-related policies and measures
	Workplace Safety Promotion Committee	Once a month	Workplace safety and health promotion personnel, workplace safety and health administrative offices	Detailed review and discussion of operating site measures

Level	Meeting	Frequency	Main Participants	Functions
Operating Site	Workplace Safety and Health Committee	Once a month	Department and section managers, group leaders, unit leaders, workplace safety and health promotion personnel, contractor managers	Review and discussion of departmental safety, hygiene and health-related policies and measures
	Small Group Safety Meetings	Once a month	Group leaders, unit leaders, workplace safety and health promotion personnel	Review and discussion of process-level safety, hygiene and health-related measures
Contractor	Safety Cooperation Association Meeting (Kyushu Factory)	Three times a year	Representatives from contractors, SUMCO (advisors, Facility Engineering Department)	Discussion occupational accident prevention at operating sites

Occupational Safety and Health Initiatives

The SUMCO Group has introduced an Occupational Safety and Health Management System (OSHMS) and obtained certification from outside certification bodies, chiefly ISO 45001 certification, and has implemented the system with the aim of achieving zero accidents in the workplace.

Under the system, the management defines a sequence of "Plan - Do - Check - Act" (PDCA) actions to manage safety and health on a regular and voluntary basis, with the help of employees. This is a safety and health management framework designed to prevent work-related accidents, advance employee health, promote the formation of a pleasant workplace environment and raise the level of safety and health in the workplace. We also work to quantify employee safety awareness through periodic safety awareness surveys, reflect the findings in the occupational safety and health management system, and make efforts to raise awareness of safety.

Status of Occupational Safety and Health Management System Certification

Category	Total Number of Operating Sites	Number of Certified Operating Sites	Certification Rate (%)	Remarks
Group (Domestic / Overseas)	12	10	83%	-
Group (Domestic)	9	8	89%	<ul style="list-style-type: none"> ■ ISO 45001 certification: 7 operating sites ■ JISHA standard OSHMS certification: 1 operating site*¹ (Scheduled to undergo ISO 45001 certification review in August 2021) ■ Sites planning to undergo ISO 45001 certification review in 2022: 1 operating site
Group (Overseas)	3	2	67%	<ul style="list-style-type: none"> ■ ISO 45001 certification: 1 operating site ■ SMK3 certification: 1 operating site*²

*1 JISHA standard OSHMS certification is provided by the Japan Industrial Safety & Health Association

*2 Certification provided by Indonesian National Standard (equivalent to OHSAS18001)

Major Initiatives to Prevent Work-Related and Traffic Accidents

The SUMCO Group conducts annual system audits (internal audits) of all operating sites in accordance with its Occupational Safety and Health Management System. The SUMCO Group also endeavors to maintain and enhance safety management levels by seeking to prevent work-related accidents through promoting voluntary safety and health initiatives and encouraging the advancement of health and the formation of a pleasant workplace environment. Additionally, when workers notice a potential hazard, they are obligated to report on it as a near miss case. Through the case reports and risk assessments, the risk factors at each operating site are identified. We try to avert accidents by implementing countermeasures to these risks based on hazard levels, and reducing the degree of risk posed accordingly. Information on these risks and the corresponding countermeasures are shared across the entire SUMCO Group through Company-wide meetings attended by the safety and health personnel at each operating site, safety exchange meetings attended by the workplace safety and health promotion personnel at each operating site, and safety and health committee meetings at each operating site.

Additionally, through safety patrols conducted at each operating site and other regular safety and health patrols of each operating site by the Safety and Disaster Prevention Department, labor unions and industrial physicians, we carry out inspections and other guidance on the state of safety and health management initiatives at the workplace as part of efforts to attain high levels of safety and health.

Safety and Health Education and Training Initiatives

The SUMCO Group focuses on employee education and training with the aim of preventing work-related and traffic accidents. In terms of matters related to safety and health, we strive to prevent accidents and minimize any damages or injuries caused by accidents. We achieve this by raising employees' awareness while also having them learn about what actions to take in the event of an emergency, not only through tiered safety and health education, but through workplace safety meetings, risk prediction training (KYT), the viewing of chemical injury prevention DVDs produced in-house and other safety-related DVDs and efforts to enhance sensitivity to danger by establishing "safety dojos" to simulate hazards at all of our operating sites.

Preventing traffic accidents is another key challenge, and the SUMCO Group strives to prevent traffic accidents by providing traffic accident prevention training along with the viewing of DVDs on traffic accident prevention, and KYT using videos of traffic accidents, and by providing driving analysis and guidance based on drive recorders installed in vehicles.

Main Education and Training Activities

Category	Name of Training	Trainees	Frequency	Instructors
Statutory Training	Induction training	New employees	Once a month	Company-wide and operating site safety and health administrative offices
	Training for newly appointed safety managers	General Safety and Health Manager appointees Departmental and Sectional Safety and Health Manager appointees	Upon selection	Outside instructor
	Unit leaders safety training	Newly appointed unit leaders	Once a year	
	Various special training, courses for various licenses, skills training, etc.	Employees engaged in the relevant work Supervisors of the relevant work	When engaging in the relevant work	
	Various skills improvement training	Qualification holder (every 5 years)	Once a year	Qualified in-house employee or outside instructor
Group Training	Group leader safety training	Newly appointed group leaders	Once a year	Company-wide Safety and Health Administrative Office
	Internal auditor development training	Newly appointed internal auditors	Each time	Outside instructor
	Internal auditor skills improvement training	All internal auditors	Once a year	Company-wide Safety and Health Administrative Office
	Safety training for risk assessment, etc.	Workplace safety and health promotion personnel	Once a year	Outside instructor
	OSHMS self-awareness training (e-Learning)	All employees	Once a year	Planned by Company-wide Safety and Health Administrative Office
	Traffic accident prevention training (e-Learning)	All employees	Once a year	Planned by Company-wide Safety and Health Administrative Office
	Safety confirmation drills	All employees	Four times a year	Use of safety confirmation system
	General disaster prevention drills	Employees and contractors	Once a year	Operating site safety administrative office
	Late-night evacuation drills	Shift workers	Once a year	Operating site safety administrative office



Experiencing a simulated hazard (body parts crushed by or caught in machinery) at a "safety dojo"

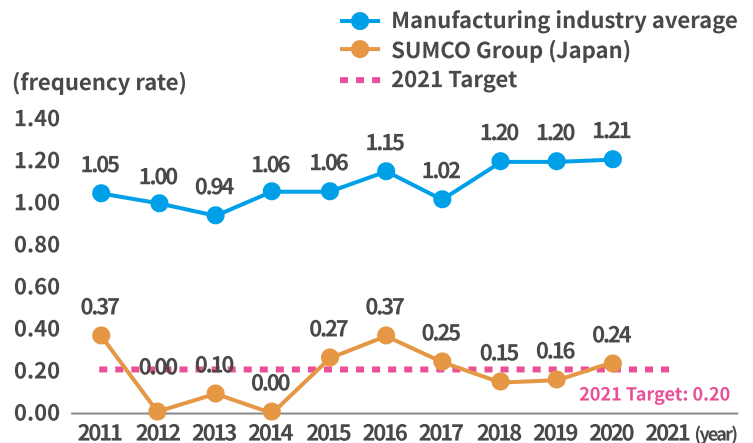


Experiencing hazards (electric shock, overcurrent, tracking) at a "safety dojo"

Status of Occupational Accident Occurrences

With the aim of achieving zero occupational accidents, the SUMCO Group strives to create a safety, health, pleasant and appropriate workplace environment by raising the level of various activities it has conducted to date, developing and enhancing its occupational safety and health management system by newly obtaining ISO 45001 certifications, and by implementing safety awareness-raising activities based on the results of safety awareness surveys. For the SUMCO Group and contractors, the number of deaths due to occupational accidents from 2017 to 2020 was zero.

Change in the Accident Frequency Rate* (Domestic SUMCO Group)



* Accident Frequency Rate = Number of workers killed or injured in occupational accidents (lost time injuries) / total number of working hours × 1,000,000

Occupational Safety and Health Data

Indicator	Target	Unit	2017	2018	2019	2020
Number of lost time injuries	Group (Domestic / Overseas)	cases	3	2	2	3
	Contractors	cases	0	0	0	0
Number of accidents (lost time + non-lost time)	Group (Domestic / Overseas)	cases	21	18	17	17
	Contractors	cases	0	0	0	0
Number of occupational illnesses	Group (Domestic / Overseas)	cases	0	0	1*	0
	Contractors	cases	0	0	0	0
Lost time injury frequency rate	Group (Domestic / Overseas)	-	0.18	0.12	0.18	0.17
	Contractors	-	0.00	0.00	0.00	0.00
Accident frequency rate (lost time and non-lost time)	Group (Domestic / Overseas)	-	1.28	1.06	1.01	0.98
	Contractors	-	0.00	0.00	0.00	0.00
Occupational injury frequency rate (OIFR)	Group (Domestic / Overseas)	-	0.00	0.00	0.06*	0.00
	Contractors	-	0.00	0.00	0.00	0.00

* Backache (backache resulting from work-related accident)

- Lost time accident frequency rate = Number of workers killed or injured in occupational accidents (lost time injuries) / total number of working hours × 1,000,000
- Accident frequency rate (lost time + non-lost time) = Number of workers killed or injured in occupational accidents (lost time + non-lost time) / total number of working hours × 1,000,000
- Occupational injury frequency rate = Number of workers killed or injured in occupational accidents (occupational injuries) / total number of working hours × 1,000,000

Participation in Traffic Safety Initiatives

The Kyushu Plant is engaged in traffic safety initiatives as a member of the Shiroishi district's Safe Driving Supervisors Committee, including annual participation in the "Traffic Mirror Cleaning Initiative (March)" for mainly local elementary and junior high schools and "Early Headlight Lighting Initiative (November)" to encourage drivers to turn on their headlights before it gets dark.



Early Headlight Lighting Initiative

SUMCO Technology Corporation also improves the traffic safety environment in the industrial park where it is located and runs environmental beautification activities around its operating site as chair of the Noda City Southern Factory Liaison Council.

Safety and Health/Disaster Prevention Awards Received (in the past five years)

Year & month	Award	Awarded site
March 2016	Recognized by the Volunteer Fire Corps Factory of the Fire and Disaster Management Agency, Ministry of Internal Affairs and Communications	Kyushu Factory (Imari), SUMCO Corp.
June 2016	Ministry of Health, Labor and Welfare Class 2 No Accident Record (10.5 million hours)	Nagasaki Plant, SUMCO TECHXIV Corp.
October 2016	Excellent Safety Operations Facility Bronze Medal	Miyazaki Plant, SUMCO TECHXIV Corp.
October 2017	Yamagata Labor Bureau Director's Commendation	Yonezawa Plant, SUMCO Corp.
October 2017	Letter of Appreciation from Miyazaki Fire Prevention Committee	Miyazaki Plant, SUMCO TECHXIV Corp.
December 2017	Letter of Appreciation from Japanese Red Cross Society (Blood donation)	Chitose Plant, SUMCO Corp.
June 2018	Hazardous Material Safety Awards from Japan Association for Safety of Hazardous Materials	SUMCO Technology Corp.
September 2018	Commendation as Model Business Site for Safe Driving Management from the Miyazaki Prefecture Police Headquarters	Miyazaki Plant, SUMCO TECHXIV Corp.
October 2018	Silver Order of Merit from Japan Red Cross Society	SUMCO Technology Corp.
February 2019	Ministry of Health, Labour and Welfare Class 3 No Accident Record (15.8 million hours)	Kyushu Factory (Saga), SUMCO Corp.
September 2019	Commendation for Business Operators with Excellent Traffic Safety	Miyazaki Office, SUMTEC Service Corp.
October 2019	Ministry of Health, Labour and Welfare Class 1 No Accident Record (7.5 million hours)	Kyushu Factory (Kubara), SUMCO Corp.
October 2020	Commendation from the Hokkaido Labor Bureau (Award for Excellence in Safety and Health)	Chitose Plant, SUMCO Corp.
November 2020	Letter of Appreciation from Japanese Red Cross Society (Blood donation)	Kyushu Factory, SUMCO Corp.

Promotion of Health

The SUMCO Group's Approach to Employees' Health

Under the principle that “the safety and health of employees take the highest priority over all,” the SUMCO Group strives to create a bright, lively and fulfilling workplace. The Group has announced the SUMCO Group Health Declaration both internally and externally, and strategically promotes various health advancement activities as investment in health.

SUMCO Group Health Declaration

The SUMCO Group considers employee's health to be an important management resource and strives to be a group in which all employees work energetically by supporting the voluntary health promotion by each employee, as well as implementing active organizational initiatives.

Health Promotion Framework

The Company-wide Health Committee and Health Promotion Meeting are convened regularly. These bodies report on the status of initiatives and attainment level of health objectives (KPIs) for each site, and reflect finding in the planning of new measures and improvement activities. As expert knowledge is important to promote these improvements, working primarily through the supervising industrial physician in the Health Promotion Section under the Human Resources Department, industrial physicians, full-time public health nurses and regular

nurses (11 full-time, 2 part-time) have been assigned to each site of the SUMCO Group to offer Group employees individual health guidance, meetings and smoking cessation support, as well as to promote health and productivity management including efforts to improve the workplace environment through stress checks, mental health training, and other services.

Health-related Meetings



Health and Productivity Management Initiatives

We promote initiatives to maintain and improve the health of each employee as a company through various well-planned company-wide initiatives.



2021
健康経営優良法人
Health and productivity
ホワイト500

In recognition of initiative aimed at employee health, for the third consecutive years since 2019 the SUMCO Group has been certified under the 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Top 500) selected by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.

Our health management challenges

We focus on three health management issues: "1. mental health," "2. smoking cessation," and "3. lifestyle-related diseases," set target values, create medium- to long-term plans, and carry out activities.

1. Mental Health

SUMCO believes that maintaining good mental health among employees leads to the development of a workplace environment where employees meet the high demands of customers, be highly productive and work with vitality. As a part of the primary prevention of mental health issues, since 2003 SUMCO has been operating and assessing workplace environment improvement activities as part of its occupational safety and health management system (OSHMS).

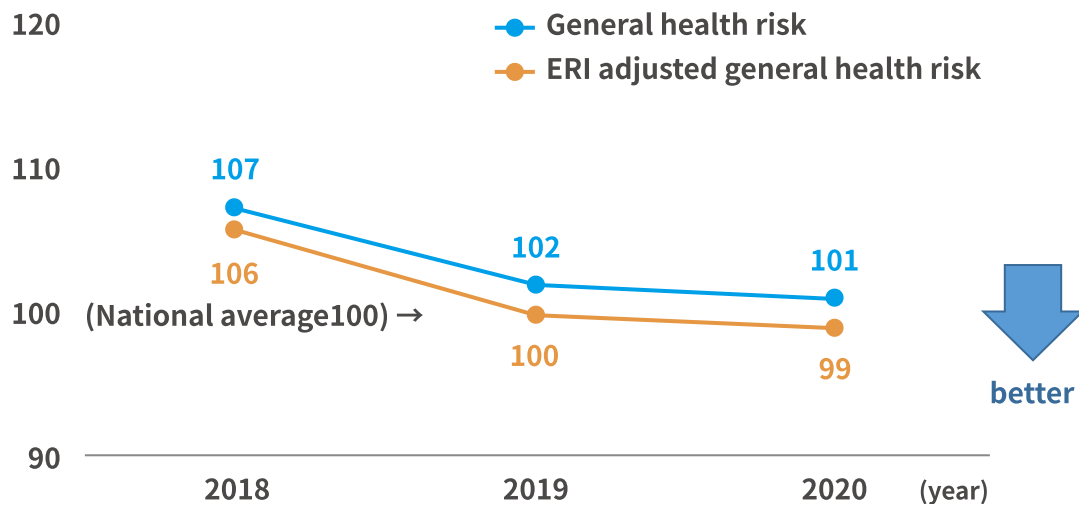
In addition, based on the results of stress checks conducted regarding workplace environment improvements at each workplace, we have each employee exchange feedback aimed at improvements to be made within the workplace, decide on and implement action items, and post collections of effective initiatives as good practices on the company intranet site.

Main Action Items

- Mental health training (stratified training, e-learning) and consultation framework for counselors and other staff
- Workplace environment improvement activities based on stress check results

Results of Activities

Results of Activities 1. Workplace Environment Improvements Based on Stress Check Results Indicators for improving the work environment



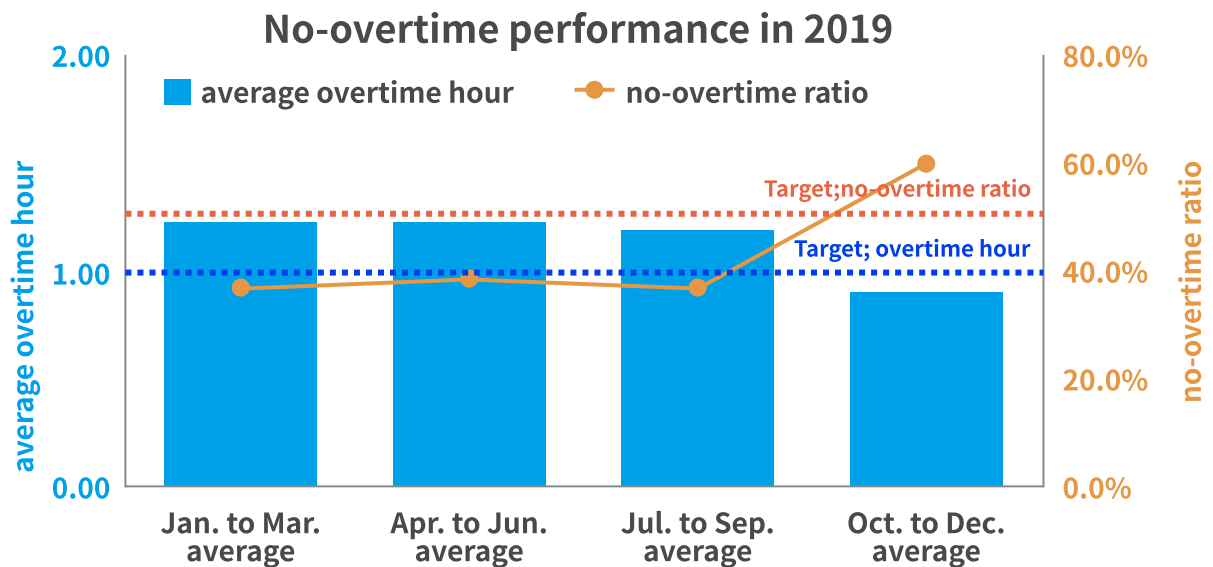
*1 General health risk is calculated from the stress check using a work stress determination chart.

*2 ERI-adjusted general health risk is calculated using general health risk and an effort reward imbalance model.

Results of Activities 2. Workplace Environment Improvements Based on Stress Check Results (Examples of Good Practices)

Good Practice 1. ON/OFF Balance Award, Kyushu Factory (Kubara), Technical Staff

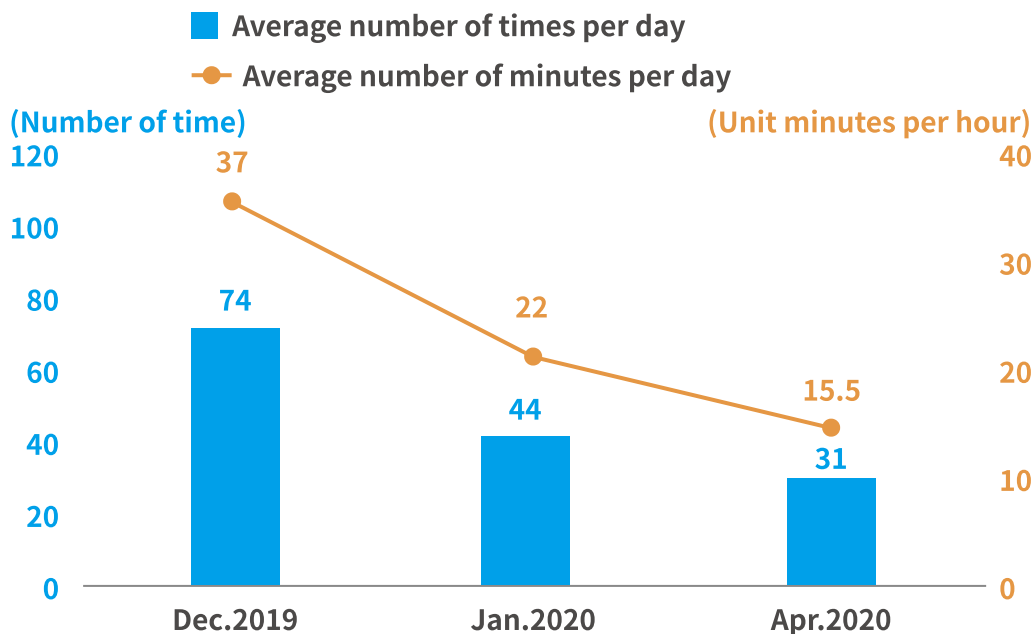
As one of the issues revealed by the results of the workplace stress check, it was found that the labor management points for the mental health environment were low. One of the factors behind this was that a weekly no-overtime day had not taken root. To address this, no-overtime days were communicated to everyone in advance, and the results were thoroughly managed. This improved the percentage of no-overtime days implemented and improved the situation of overtime on those days. The labor management indicator section in the stress check results the following year showed a 6.4 point year-on-year improvement, achieving a workplace environment allowing employees to strike an even better balance between being on and off work.



Good Practice 2. Ease of Work Award, Kyushu Factory (Nagahama), Equipment Staff

With some 90 workers at the section it is a large group, and due to the nature of the business, the site often receives telephone calls from outside manufacturers. When staff get busy redirecting many calls, it can have an impact on other duties, posing an issue for carrying out work. Therefore as a solution, direct dial-in numbers were introduced. As a result of printing the direct numbers on worker business cards as well as outside fax and email messages, the time spent handling phone calls was streamlined by 21.5 minutes a day, and 88.15 hours a year.

Status of the number of calls



2. Activities to Encourage Smoking Cessation

In January 2020, a survey on smoking was conducted among all Group employees. Trend analysis was conducted on factors such as smoking frequency and number of smoking sessions by employees who are smokers, and as a result of conducting smoking cessation training and individual health guidance in light of the various traits and age groups, the smoking rate among Group employees has gradually trended downward, from 46% in 2018 to 38.2% in 2019 and 36.6% in 2020.

Additionally, to coincide with the closure of all smoking areas within SUMCO Group premises as a measure related to the nationwide spread of COVID-19, we reviewed our system to allow outpatient treatment for smoking cessation without co-payments as part of efforts to promote smoking cessation.

■ Main Action Items

- Trend analysis based on results of survey of all employees on smoking
- Smoking cessation training based on the results of the above survey and encouraging the use of smoking cessation treatment through individual health guidance
- Workplace anti-smoking challenge race
- Closure of smoking areas on company-premises as a COVID-19 related measure

■ 3. Measures to Address Lifestyle-related Disease, Other Initiatives

The results of periodic medical checkups show that the percentage of employees with metabolic syndrome increases between the ages of 30 and 40. We therefore surveyed the exercise practices and eating habits of all employees aged 39 in advance, providing dietary guidance from a nutritionist and exercise guidance from an outside instructor. The effects of these efforts were verified, leading to improved indicators the following year.

Additionally, due to the advancing age structure of the workforce, we assume that incidents of falls and trips will increase. To address this, we have assessed the motor functions of employees in a joint initiative with the Department of Sports Science at Fukuoka University to develop the SUMCO Fall Prevention Exercises and implement them in-house.

■ Main Action Items

- Health education for employees at age 39
- Walking activities
- Individual health guidance following regular medical checkups (including guidance to improve blood pressure and blood glucose levels)
- SUMCO fall prevention exercises



Measuring rice as part of dietary guidance



Slow jogging

4. Results and Medium-term Targets for Mental Health, Smoking Cessation and Lifestyle-related Disease Issues

Assessment Item	2018 Results	2019 Results	2020 Results	Medium-Term Targets (2025)
ERI-adjusted general health risk	106.0	100.0	99.0	100 or lower
Current smoker	40.6%	38.2%	36.6%	20.0%
Percentage of Employees with Metabolic Syndrome	26.3%	26.9%	28.6%	25.0%
Exercising for 30 minutes or more / week	24.2%	25.4%	28.4%	35.0%
Percentage of employees not feeling refreshed after a night's sleep	38.9%	32.6%	31.1%	24.0%

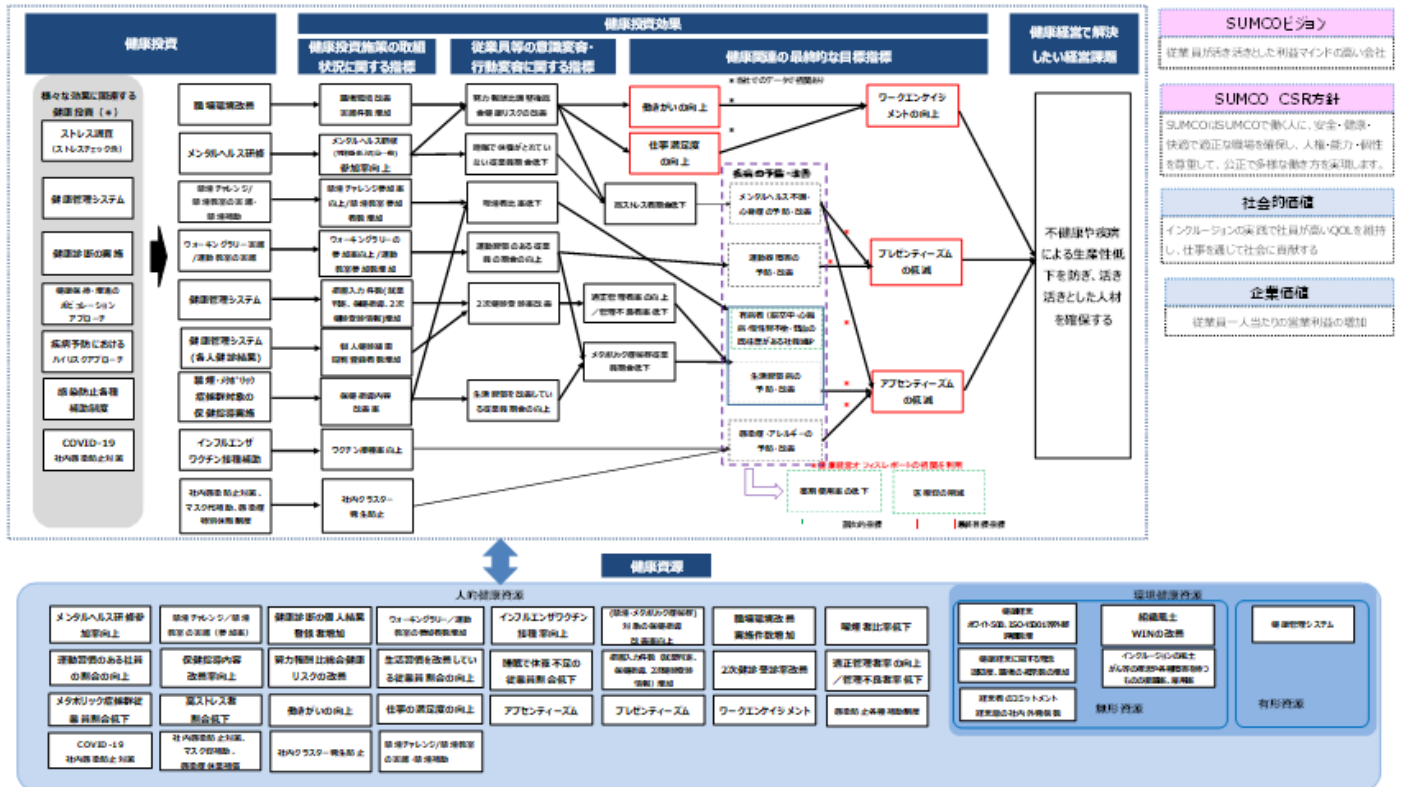
Comprehensive Indicators of SUMCO's Health and Productivity Management and Their Development into a Strategic Map of Each Initiative

By working on health and productivity management, SUMCO believes that the benefits go further than solving issues centered around on mental health, smoking cessation and lifestyle-related disease. That is because preventing the possibility of poor health or reduced productivity due to injury or illness and outcomes closely associated with the above issues leads to reduced risk of illness and injury and lower medical expenses, ensuring a workforce that will work with vitality (demonstrating high engagement including job commitment, satisfaction and fulfillment). To visualize these situations, we have quantified comprehensive indicators and plotted them to a strategy map to strategically develop a framework for each initiative as health investment and obtain results. This allows us to conduct evaluations each year, leading to the necessary measures being implemented in the future.

Comprehensive Indicators

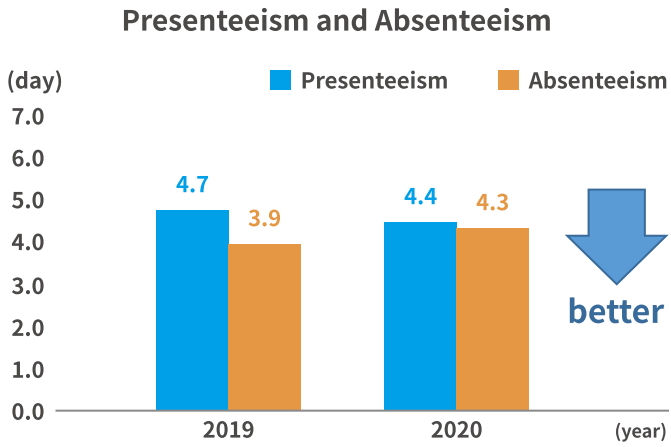
- Reduced productivity indicators: presenteeism (reduced productivity when attending work despite poor health or physical condition), absenteeism (missing work due to poor health or physical condition)
- Indicators of vitality level: work engagement, job fulfillment, job satisfaction

Overview of the SUMCO Health and Productivity Management Strategy Map

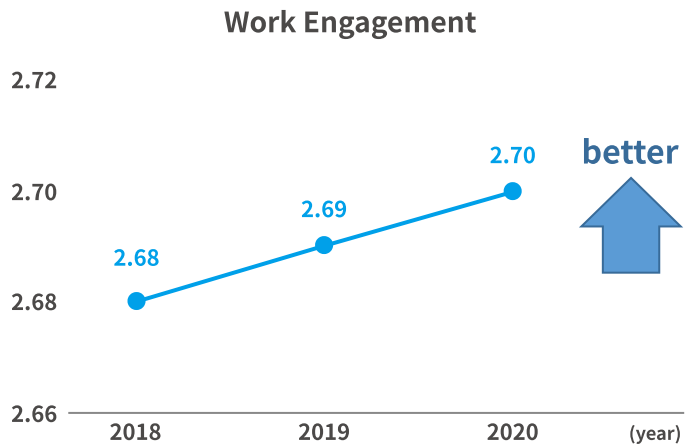


Results of Activities

Results of Activities 1. Presenteeism and Absenteeism (From Employee Questionnaire Survey)

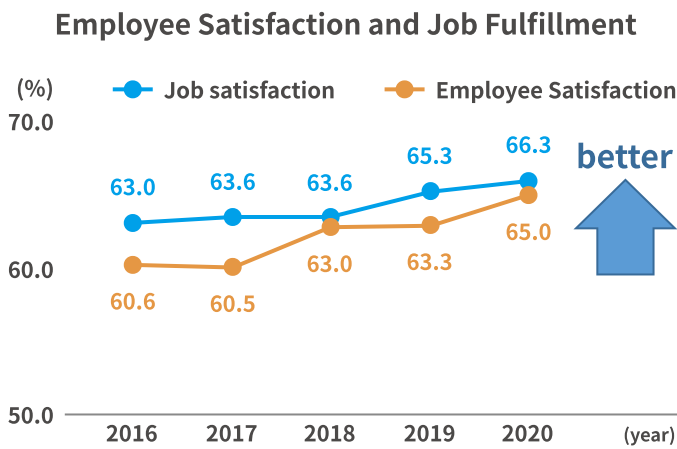


Results of Activities 2. Work Engagement (From Employee Questionnaire Survey)



* Work Engagement: average points from employee questionnaire on nine items regarding work (7-grade evaluation from 0 to 6 points)

Results of Activities 3. Employee Satisfaction and Job Fulfillment (From Employee Questionnaire Survey)



*1 satisfaction: the percentage of employees who responded that they were "satisfied" or "somewhat satisfied" with their job

*2 Employee Satisfaction of Job fulfillment: the percentage of employees who responded "yes" or "somewhat yes" as to whether they are in a fulfilling job

Voice

Supervising Industrial Physician
Minako Iyadomi



Creation of the SUMCO Health and Productivity Management Strategy Map

As an expert, I was involved in the creation of the SUMCO Health and Productivity Management Strategy Map and used the data accumulated by SUMCO combined with searches of literature on the relationships between each disease and productivity indicators to verify the validity of linking each item on the strategy map. Through the strategy map, we now have a clearer picture of the items to be added in the annual safety and health plan and how indicators related to employee health such as mental health, lifestyle-related disease and smoking, along with final indicators, lead to the resolution of issues in health and productivity management. By visualizing health and productivity management, I expect that employees will develop a greater understanding of and commitment to the various initiatives being undertaken.

Initiatives to Prevent COVID-19 Infections

The SUMCO Group has activated its Business Continuity Plan (BCP), summarized its own guidelines in light of information including press materials from the Ministry of Health, Labour and Welfare, academic groups such as the Japan Society for Occupational Health and Keidanren guidelines, and taken measures to prevent infection on that basis.

The major actions we have taken are as follows:

1. Newly established a special leave system for employees in poor physical condition
We are striving to identify infected employees inside the company at an early stage and prevent the spread of infections by being among the first companies to newly establish a special leave system where employees, whether full-time or temporary, are asked to stay home if not feeling well and presenting cold-like symptoms, after which their condition is monitored by healthcare staff.
2. Formulation and Implementation of Infection Prevention Measures During Work
Employees are required to wear non-woven masks during work, for which they are paid an allowance
(excluding inappropriate workplaces due to the nature of work, such as clean rooms)
We have set and thoroughly enforce restrictions on the number of people in meeting rooms, ventilation rules, and sterilization rules for shared PCs, switches and other equipment
Partitions have been established in break rooms and cafeterias (places where people remove their masks to eat or drink), and engage in the monitoring and management of usage times and seating locations
Temporary closure of smoking areas
3. Promoting Migration to Web-based Systems
Conducting company-wide events, meetings and training over the web
In addition to conducting company entrance ceremonies, various presentations and other company-wide events entirely online, we have also switched from face-to-face to online formats for various training.
We are implementing telework in Tokyo, Osaka and Fukuoka.

Once vaccinations become available, we will encourage employees to get vaccinated and to our utmost to further minimize the risks of infection.

▶ To ESG-oriented Investors

Community-based Social Contribution Activities

Why SUMCO Addresses the Local Community

The SUMCO Group sees existing in harmony with the local community and contributing to the region as one of the corporate social responsibilities.

In SUMCO CSR Policy, the SUMCO Group declares that "SUMCO shall respect various cultures and histories, and shall interact with society and the local communities." We take into account local communities' expectations for SUMCO and focus on the following in particular, in an effort to be a company that can contribute to the local community as a good corporate citizen.

1. Activities aimed at the local environment, safety, and disaster prevention
2. Activities aimed at providing education, culture promotion and sports promotion to the local community
3. Activities to support persons with disabilities

Due to the impact of COVID-19 in fiscal year 2020, there were activities we were unable to perform to the same extent as regular years, including having to cancel some activities altogether, but for its part the SUMCO Group hopes to continue to focus on community-based social contribution activities going forward.

Participation in Local Cleaning Activities and Environmental Conservation Initiatives



SUMCO's Chitose Plant implements a clean-up program on approximately 1.5 km of sidewalks along the main roads of the Chitose Industrial Complex where the plant is located. Plant members pick up empty cans and trash that have been discarded, as well as fallen leaves and other refuse.

SUMCO's JSQ Division participates annually in the Omono River Basin Joint Clean-up organized by Akita City with the participation of local residents and nearby companies.

SUMCO's Yonezawa Plant actively engages in various local environmental activities as a member of the Hachimanpara Corporate



Clean-up activities on the grounds of the Chitose Industrial Complex

Council made up of companies located in the Hachimanpara Industrial Park. The activities include cleaning up areas inside the park and along major roads.

At the Nagasaki Plant of SUMCO TECHXIV Corporation, many employees and their families participate each year in the cleanup of the Omura Bay coastal area organized by the Omura Bay Cleanup Project.

Additionally in November 2020, member of the Miyazaki Plant of SUMCO TECHXIV Corporation took part in tree thinning operations with the aim of preserving pine forests in the Hitotsuba Coast area of Miyazaki City.

SUMCO Technology Corporation regularly takes part in cleanup operations along nearby municipal roads and sidewalks, and also engages in cleanup activities within the industrial park where its plant is located. Although activities were paused in 2020 due to the COVID-19 pandemic, SUMCO Technology Corporation participates annually in the Edogawa Clean Campaign organized by the Edogawa River Office of the Ministry of Land, Infrastructure, Transport and Tourism and 13 other municipalities around Noda City as a member of the Southern Plant Liaison Council. The activities include collecting discarded cans and bottles, etc. and performing cleanup activities on the riverbed, embankments and side ditches along the Edogawa River.

In September 2020, SUMCO Taiwan Technology Corporation participated in the International Coastal Cleanup (ICC) program organized by the international environmental protection group Ocean Conservancy to pick up more than 500 kilograms of trash around Nanliaobeike Park.



Omura Bay coastal area joint clean-up



International Coastal Cleanup at Taiwan



Thinning operations in the Hitotsuba Coast area

Greening Initiatives



At the Chitose Plant, in June each year, we enter the "Flower-Filled Contest" hosted by Chitose City's greening promotion foundation (Chitose Environment and Greenery Foundation) and plant colorful flowers in the green belt on roads around the plant. In fiscal year 2020 the plant was awarded the excellence prize in the contest.



At the Noda Operation Department of SUMCO Support Corporation*, we conduct "Flower Project" initiatives including the voluntary creation of flower beds and planting of seeds and seedlings, thereby delighting visitors to the Noda area and employees alike.

Greening promotion activities at the Chitose Plant

* SUMCO Support Corporation is a special subsidiary company of SUMCO that was established with the purpose of employing persons with disabilities.

Support for a Vocational Facility for People with Disabilities



At the Yonezawa Plant, we collect empty plastic bottles and cans from the plant and employees' homes and provide them via recycling operators to vocational facilities for persons with disabilities to support their employment. Using the money received from the recycling firm for the sale of such bottles and cans, the plant also periodically purchases useful items and donates to the facility.

Participation in Emergency Drills at Welfare Institutions



At the Nagasaki Plant of SUMCO TECHXIV Corporation, we have organized an external rescue team, and joint rescue drills under the guidance of members of the Omura Fire Department are conducted every year to prepare the team for fire disasters at nearby welfare institutions.



Emergency drill at a welfare institution

Interaction with local educational institutions



At the Nagasaki Plant of SUMCO TECHXIV Corporation, we have maintained a relationship with local high schools since the establishment of the plant. Every year, we host study tours to inspect the production process or the extra high voltage monitoring room for the power intake facility, as well as providing internships. Responding to requests from local high schools, we also send employees to give lectures on semiconductors.



Dispatching employee instructors to local high schools

Each year, PT. SUMCO Indonesia works with local high schools, universities and graduate colleges to operate apprenticeship programs that run from 12 to 24 weeks, giving students the opportunity to develop their future careers.



Scene from the apprenticeship program



Scene from the apprenticeship program

Participation and Sponsorship of Sports Events

SUMCO participates in and sponsors local sports events. The SUMCO Kyushu Factory co-sponsors the IMARI HALF-MARATHON every year. In 2021 the event was held online as a new kind of challenge due to COVID-19, and around 2,000 participants from around Japan entered. Additionally, the SUMCO Imari Road Relay Race Team fielded by the Kyushu Factory took part in the 73rd Tozai Matsuura Relay Race Competition (sponsored by Saga Shimbun) held in January 2020, winning its 14th championship overall and third consecutive victory while also breaking the competition record. This year the team had been training regularly in hopes of a fourth straight win, but the 74th running of the event was postponed by one year in order to prevent the spread of COVID-19 infections.

The SUMCO TECHXIV Corp. Nagasaki Plant sponsored Omura Bay ZEKKEI Ride 2019. The event is a cycling race that makes a circuit of Omura Bay and is jointly hosted by municipalities located around the bay. The race attracts cycling enthusiasts from around Japan who come in search of the area's beautiful scenery.

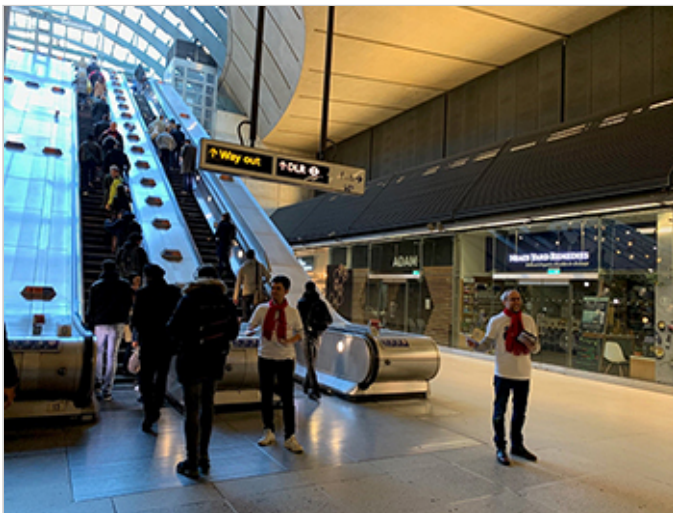


The 73rd Tozai Matsuura Relay Race Competition (courtesy Saga Shimbun)

Activities with Non-Profit Organizations

In 2019, SUMCO donated total amount of 300,000 yen to Seacare and the Japan Heart Foundation, in support of the work done by these NPOs.

In 2019, SUMCO Europe Sales Plc took part as volunteers in Warm-up London, an activity to collect donations of clothing that is no longer needed and provide them to homeless shelters, refugee centers, youth support centers and so on. The activities including distributing flyers and sorting the collected clothes.



Scenes of Warm-up London activities.



Scenes of Warm-up London activities.

Voice

Ichiro Omura

Director

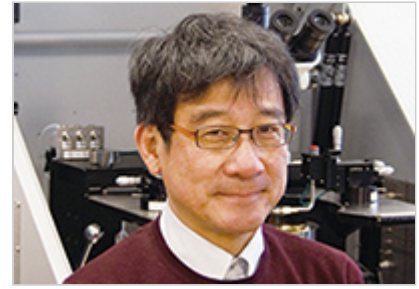
Next Gen. Power Electronics Research Center

Professor

Graduate School of Life Science and Systems Engineering

Department of Biological Functions Engineering

Kyushu Institute of Technology



Q1. What are you working on in the SUMCO joint research course, and how significant is it?

Kyushu Institute of Technology, we launched a research course inside the department on a joint basis with SUMCO in fiscal year 2017. Under the theme of high-quality power semiconductor wafer evaluation methods, we have conducted a number of joint research projects with SUMCO researchers and researchers at our Next Generation Power Electronics Research Center. In particular, we share trends in power semiconductor-related technologies and pursue research that prioritizes the development of high-precision wafer quality evaluation technologies and the application of simulation technologies. Through establishment of joint research courses, issues can be shared between companies and universities, and excellent result-focused outcomes can be produced.

Q2. SUMCO has been pursuing coordination between industry and academia along with initiatives to contribute to local communities. What do you think about these activities?

In fiscal year 2018, the Next Generation Power Electronics Research Center received the Minister of the Environment Award for Global Warming Prevention Activity for its research into power semiconductors. Moreover, SUMCO is a top global producer of high-quality wafers that are essential in the manufacturing of power semiconductors that contribute to lower CO₂ emissions. By having both of us coordinate with one another from a long-term perspective, I think we are bringing greater sophistication to semiconductor technologies and low-carbon technologies in the Kyushu area, strongly promoting the development of human resources in the field, and making significant contributions to the social challenges of preventing global warming and utilizing electricity effectively.

(This interview was conducted in April 2019.)

Participation in Local Events

Each year at the Uesugi Snow Lantern Festival, a famous winter festival that takes place in Yonezawa, SUMCO's Yonezawa Plant produces snow lanterns, a winter tradition in Yonezawa, in an effort to vitalize the local area.

In order to bring excitement to local events as a company that has established business sites in Imari City, SUMCO's Kyushu Factory participates yearly in the Imari Autumn Festival - Imari Dance in All as a means of contributing to local revitalization. In fiscal year 2020, however, the event was cancelled due to the COVID-19 pandemic.

Additionally, SUMCO's JSQ Division supports activities of the "Barajima Kanto Group," which is located in Barajima, Akita and headed by a SUMCO Employee. The group participates by performing in the Akita Kanto Festival every year, where they put on energetic performances.

* The "Kanto Myogikai" is a pole lantern performance contest that takes place during the day as part of the Akita Kanto Festival, with the objective of preserving skills in lantern balancing and its musical accompaniment. Pole lantern performances during the night are called "Yoru Kanto."



Participates in an annual event, the "Imari Autumn Festival-Imari Dance in All"



Performance for the JSQ Division



Producing snow lanterns at the Uesugi Snow Lantern Festival

▶ To ESG-oriented Investors

Social Data (personnel)

Number of Employees

item		Value	Segment	Remarks
Employee	Total workforce	8,199	Consolidated	As of Dec. 31, 2020
	Men	7,445	Consolidated	
	Women	754	Consolidated	
	Percentage of women employees	9.2%	Consolidated	
Number of senior management	Total Number	806	Consolidated	As of Dec. 31, 2020
	Men	754	Consolidated	
	Women	52	Consolidated	
	Percentage of women in senior management	6.5%	Consolidated	
Number of directors on board	Total directors	11	SUMCO	As of Dec. 31, 2020
	Men	10	SUMCO	
	Women	1	SUMCO	
	Percentage of women directors on the board	9.1%	SUMCO	
Newly Hired Employees	Total Number	73	SUMCO	As of 2020
	Men	58	SUMCO	
	Women	15	SUMCO	
	Percentage of women employees in new hires	20.5%	SUMCO	
Average years employed	Men	17.4	SUMCO	
	Women	14.4	SUMCO	
	Difference in average	3.0 years	SUMCO	

Site Data (2020 results)

2020 data on the acquisition status of ISO 14001 certification for the SUMCO Group's business sites/plants and regulated substances discharged from each site/plant to the surrounding air and water.

Kyushu Factory (Nagahama)/Kyushu Factory (Kubara)/Kyushu Factory (Saga)

Name of business site/plant		Kyushu Factory (Nagahama)	Kyushu Factory (Kubara)	Kyushu Factory (Saga)
Scope of business		Design, development and manufacture of silicon wafers	Design, development and manufacture of monocrystalline silicon ingots and silicon wafers	Design, development and manufacture of monocrystalline silicon ingots and silicon wafers
Status of acquisition of ISO 14001:2015 certification	Examining organization	Japan Quality Assurance Organization	Japan Quality Assurance Organization	Japan Quality Assurance Organization
	Date of acquisition	January 11, 1999	January 11, 1999	January 11, 1999
	Date of renewal	January 11, 2023	January 11, 2023	January 11, 2023

Air		Measurement results (regulation value)		
Nitrogen oxides (NOx)	ppm	Boiler 71 (150)	Boiler 61 (150)	Boiler 61 (110)
Sulfur oxides (SOx)	m ³ N/h	Boiler ND (0.44-0.85)	Boiler ND (1.15)	/
Soot and dust	g/m ³ N	/	/	Boiler ND (0.001)

Water		Regulation value	Measurement result	Regulation value	Measurement result	Regulation value	Measurement result
Biological oxygen demand (BOD*1)	mg/ℓ	/	/	/	/	10	9
Chemical oxygen demand (COD*2)	mg/ℓ	30	9	30	8	/	/
Suspended solids (SS)	mg/ℓ	30	10	30	8	25	13
N-hexane extract	mg/ℓ	5	ND	5	ND	3	ND
Iodine consumption	mg/ℓ	/	/	/	/	/	/
Fluorine and its compounds	mg/ℓ	8	5.0	8	2.0	3	1.3
Ammoniac nitrogen	mg/ℓ	80	19	80	14	100	13
Nitrate nitrogen	mg/ℓ						
Nitrite-nitrogen	mg/ℓ						
Nitrogen content (T-N)	mg/ℓ	120	44	120	21	60	17
Chromium content (T-Cr)	mg/ℓ	0.2	ND	0.2	ND	0.2	ND
Phosphorus content (T-P)	mg/ℓ	12	0.3	12	0.3	8	1.0
Arsenic	mg/ℓ	0.05	ND	0.05	ND	0.1	ND
Trichloroethylene	mg/ℓ	0.1	ND	0.1	ND	0.1	ND

*1 In case of discharging treated wastewater into the river, the drainage restriction of biological oxygen demand (BOD) applies.

*2 In case of discharging treated wastewater into the sea, the drainage restriction of chemical oxygen demand (COD) applies.

* Numbers list the maximum annual figures.

"/" denotes non-applicability

"-" denotes an unmeasured item as the regulated substance is not used.

"ND" denotes non-detection

Noda Office/Yonezawa Plant

Name of business site/plant		Noda Office	Yonezawa Plant
Scope of business		Manufacture of silicon wafers	Design, development and manufacture of monocrystalline silicon ingots
Status of acquisition of ISO 14001:2015 certification	Examining organization	Japan Quality Assurance Organization	Japan Quality Assurance Organization
	Date of acquisition	January 11, 1999	January 11, 1999
	Date of renewal	January 11, 2023	January 11, 2023

Air		Measurement results (regulation value)	
Nitrogen oxides (NOx)	ppm	Boiler 75 (260)	/
Sulfur oxides (SOx)	m ³ N/h	Boiler 0.03 (0.32)	/
Soot and dust	g/m ³ N	Boiler 0.0 (0.3)	/

Water		Regulation value	Measurement result	Regulation value	Measurement result
Biological oxygen demand (BOD)	mg/ℓ	25	13	600	63
Chemical oxygen demand (COD)	mg/ℓ	20*1	11	/	/
Suspended solids (SS)	mg/ℓ	50	10	600	71
N-hexane extract	mg/ℓ	3	ND	5	2
Iodine consumption	mg/ℓ	/	/	220	4
Fluorine and its compounds	mg/ℓ	8	6.1	8*2	3.2
Ammoniac nitrogen	mg/ℓ	100	8	380	170
Nitrate nitrogen	mg/ℓ				
Nitrite-nitrogen	mg/ℓ				
Nitrogen content (T-N)	mg/ℓ	30	18	/	/
Chromium content (T-Cr)	mg/ℓ	1	ND	0.5	ND
Phosphorus content (T-P)	mg/ℓ	2	0.2	/	/
Arsenic	mg/ℓ	0.05	ND	0.1	ND
Trichloroethylene	mg/ℓ	0.1	ND	/	/

*1 At the Noda office, since Tokyo Bay pollutant load restrictions apply, it is also subject to chemical oxygen demand (COD) restrictions.

*2 At the Yonezawa Plant, treated wastewater is discharged into public sewerage systems and is thus subject to the Sewerage Act. (Destination of treated waste water outflowing from sewerage treatment site: river) Accordingly, the regulation value for fluoridation compound is 8 mg/ℓ.

Chitose Plant/JSQ Division

Name of business site/plant		Chitose Plant	JSQ Division
Scope of business		Design, development and manufacture of silicon wafers	Design, development and manufacture of quartz crucibles
Status of acquisition of ISO 14001:2015 certification	Examining organization	Japan Quality Assurance Organization	Japan Quality Assurance Organization
	Date of acquisition	January 11, 1999	January 11, 1999
	Date of renewal	January 11, 2023	January 11, 2023

Air		Measurement results (regulation value)	
Nitrogen oxides (NOx)	ppm	/	/
Sulfur oxides (SOx)	m ³ N/h	/	/
Soot and dust	g/m ³ N	/	Firing furnace 0.08 (0.2)

Water		Regulation value	Measurement result	Regulation value	Measurement result
Biological oxygen demand (BOD)	mg/ℓ	600	1	160	6
Chemical oxygen demand (COD)	mg/ℓ	/	/	/	/
Suspended solids (SS)	mg/ℓ	600	8	200	23
N-hexane extract	mg/ℓ	5	2	5	ND
Iodine consumption	mg/ℓ	/	/	/	/
Fluorine and its compounds	mg/ℓ	8*	5.3	8	0.8
Ammoniac nitrogen	mg/ℓ	/	/	100	4
Nitrate nitrogen	mg/ℓ				
Nitrite-nitrogen	mg/ℓ				
Nitrogen content (T-N)	mg/ℓ	/	/	120	5
Chromium content (T-Cr)	mg/ℓ	2	ND	2	ND
Phosphorus content (T-P)	mg/ℓ	/	/	16	0.2
Arsenic	mg/ℓ	/	/	0.1	ND
Trichloroethylene	mg/ℓ	/	/	0.1	ND

* At the Chitose Plant, treated wastewater is discharged into public sewerage systems and is thus subject to the Sewerage Act. (Destination of treated wastewater out flowing from sewerage treatment site: river) Accordingly, the regulation value for fluoridation compound is 8 mg/ℓ .

SUMCO TECHXIV Corporation Nagasaki Plant/SUMCO TECHXIV Corporation Miyazaki Plant

Name of business site/plant		SUMCO TECHXIV Corporation (STC) Nagasaki Plant	SUMCO TECHXIV Corporation (STC) Miyazaki Plant
Scope of business		Design, development and manufacture of monocrystalline silicon ingots and silicon wafers	Design, development and manufacture of monocrystalline silicon ingots and silicon wafers
Status of acquisition of ISO 14001:2015 certification	Examining organization	Japan Quality Assurance Organization	Japan Quality Assurance Organization
	Date of acquisition	January 11, 1999	January 11, 1999
	Date of renewal	January 11, 2023	January 11, 2023

Air		Measurement results (regulation value)	
Nitrogen oxides (NOx)	ppm	Boiler 62 (260)	Boiler 61 (150)
Sulfur oxides (SOx)	m ³ N/h	Boiler ND (1.43-2.41)	/
Soot and dust	g/m ³ N	Boiler ND (0.3)	Boiler ND (0.1)* ²

Water		Regulation value	Measurement result	Regulation value	Measurement result
Biological oxygen demand (BOD)	mg/ℓ	600	56	25	7
Chemical oxygen demand (COD)	mg/ℓ	/	/	/	/
Suspended solids (SS)	mg/ℓ	600	20	30	3
N-hexane extract	mg/ℓ	5	ND	5	ND
Iodine consumption	mg/ℓ	/	/	/	/
Fluorine and its compounds	mg/ℓ	15* ¹	7.3	8	1.1
Ammoniac nitrogen	mg/ℓ	380	42	100	9
Nitrate nitrogen	mg/ℓ				
Nitrite-nitrogen	mg/ℓ				
Nitrogen content (T-N)	mg/ℓ	240	89	120	6
Chromium content (T-Cr)	mg/ℓ	2	ND	0.2	ND
Phosphorus content (T-P)	mg/ℓ	32	0.3	16	0.0
Arsenic	mg/ℓ	0.1	0.001	/	/
Trichloroethylene	mg/ℓ	0.1	ND	/	/

*1 At STC Nagasaki plant, treated wastewater is discharged into public sewerage systems and is thus subject to the Sewerage Act. (Destination of treated wastewater outflowing from sewerage treatment site: the sea) Accordingly, the regulation value for fluoridation compound is 15 mg/ℓ.

*2 The frequency of atmospheric soot and dust measurements at STC Miyazaki was revised to once every five years (the next measurement will be taken in 2023).

SUMCO Phoenix Corporation Albuquerque Plant/SUMCO Phoenix Corporation Phoenix Plant

Name of business site/plant		SUMCO Phoenix Corporation (SPX) Albuquerque Plant	SUMCO Phoenix Corporation (SPX) Phoenix Plant
Scope of business		Design, development and manufacture of silicon wafers	Design, development and manufacture of monocrystalline silicon ingots and silicon wafers
Status of acquisition of ISO 14001:2015 certification	Examining organization	DNV	DNV
	Date of acquisition	June 19, 2000	June 19, 2000
	Date of renewal	June 30, 2021	June 30, 2021

Air		Measurement results (regulation value)	
Nitrogen oxides (NOx)	ton/y	1.7 (10.2)	12.2 (24.6)
Sulfur oxides (SOx)	ton/y	0.01 (0.34)	0.34 (1.25)
PM10 (Particulate Matter)	ton/y	0.1 (0.84)	0.7 (2.5)

Water		Regulation value	Measurement result*	Regulation value	Measurement result
Biological oxygen demand (BOD)	mg/ℓ	/	/	/	/
Chemical oxygen demand (COD)	mg/ℓ	/	/	/	/
Arsenic	mg/ℓ	2.09	/	0.13	0.01
Cadmium	mg/ℓ	/	/	0.047	0.002
Copper	mg/ℓ	/	/	1.5	0.0
Cyanide	mg/ℓ	0.5	/	2	0.0
Fluorine and its compounds	mg/ℓ	36	/	/	/
Lead	mg/ℓ	1.0	/	0.41	0.01
Mercury	mg/ℓ	0.004	/	0.0023	0.0002
Molybdenum	mg/ℓ	2.0	/	/	/
Selenium	mg/ℓ	0.46	/	0.1	0.01
Silver	mg/ℓ	5.0	/	1.2	0.0
Zinc	mg/ℓ	2.2	/	3.5	0.1
Suspended solids (SS)	mg/ℓ	/	/	/	/

* At the Albuquerque Plant, only pH and water flow rate measurements are required, and the City of Albuquerque periodically takes wastewater measurements.



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