

Supplier Guidelines on the Basis of ISK Group Policy on Procurement

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Office of Environment, Safety and Quality Administration

ISHIHARA SANGYO KAISHA, LTD.

1. Introduction

As a corporate group that is transparent, trustworthy, and sound in its business activities, the ISK Group has declared, both inside and outside the Group, that it will conduct corporate management in compliance with laws, regulations, rules and social norms while pursuing fair business activities and ensuring high ethical standards.

Additionally, the ISK Group Code of Conduct and Policy on Human Rights state that, in its business activities, the Group will engage in socially responsible procurement activities together with our suppliers and contractors.

To advance these initiatives, we have established the Supplier Guidelines in accordance with the ISK Group Policy on Procurement.

The ISK Group will strive to realize sustainable procurement practices throughout its supply chain.

While these guidelines, as detailed in paragraph **5. Behavioral Guidelines**, are non-binding, we expect all our suppliers and contractors to understand these

principles and cooperate with us in aligning their practices to the extent feasible within their operations.

2. ISK Group Purpose and Corporate Philosophy

Purpose

To continue contributing to better living environments through chemical technologies

Basic Philosophy

- Contribute to social development, protection of life, and environmental preservation
- Respect shareholders, customers, suppliers, local communities, and employees
- Abide by laws and regulations; maintain transparency in business activities

Code of Conduct

- At ISK Group, we will observe laws, regulations, social norms, and Company rules while steadfastly adhering to high ethical standards so as to gain social trust in our business.
- In manufacturing activities, we will prioritize global environmental protection and worker safety and will work to prevent any workplace accident or disaster.

- On the basis of respect for human rights, we will promote mutual understanding and cooperation among employees, in order to create an open and employee-friendly workplace.
- To maintain transparency in our business activities, we will promote communication with local communities and will disclose corporate information in a timely and appropriate manner.

ISK Group Code of Conduct

<https://www.iskweb.co.jp/compliance/observance.html>

3. ISK Group Policy on Procurement

1) Legal Compliance

ISK Group complies with the laws and regulations of each country and region and conducts procurement activities in a reasonable and ethical manner.

2) Fair and Reasonable Transactions

ISK Group provides opportunities openly to both domestic and overseas suppliers and contractors and is committed to fair transactions. ISK Group conducts reasonable procurement activities by considering multiple elements in a comprehensive manner, including quality, price competitiveness, supply stability and capacity for technological development.

3) Establishing Partnerships

ISK Group strives to promote mutual understanding with suppliers and contractors and to strengthen partnerships by building relationships based on trust.

ISK Group will take reasonable and appropriate steps to ascertain to the best of its knowledge that its suppliers and contractors share and practice the values of ISK Group as set forth in the Appendix.

4) Promoting Social Responsibility

ISK Group respects human right as a member of the international community and conducts procurement activities in consideration of various aspects of sustainability such as environment and safety.

In addition, ISK Group will actively participate in international initiatives such as Responsible Care activities, management of conflict minerals (3TG, cobalt and mica) and procurement of sustainable palm oil.

ISK Group will publicize initiatives concerning procurement activities pursuant to this Policy via ISK Group's website and/or Integrated Report.

4. Other Related Policies

ISK Group Policy on Human Rights

https://www.iskweb.co.jp/eng/environment/human_rights.html

ISK Group Basic Policy on the Environment, Safety and Health

<https://www.iskweb.co.jp/eng/environment/policy.html>

Privacy Policy

<https://www.iskweb.co.jp/eng/privacy.html>

5. Behavioral Guidelines (Though not binding, ISK Group expects its suppliers and contractors to follow these guidelines.)

1) Compliance with Laws, Regulations, and International Norms; and Reinforcement of Corporate Governance

- ◆ The ISK Group strives to realize a sustainable society by taking care to avoid negative impacts on society and the environment while complying with the laws and regulations of each country/region and international norms.
- ◆ The ISK Group works to strengthen corporate governance by, for example, establishing policies and a framework to define roles and responsibilities for sound corporate management, conducting business operations in compliance with laws and regulations, and enhancing internal controls.

2) Respect for Human Rights and Labor Practices

(5.2.1.) Non-discrimination:

- ◆ ISK Group respects the diversity of its Constituents and, consistent with all applicable laws, strives to foster a culture of non-discrimination based on race, religion, gender, age, national origin, employment status, disability, sexual orientation, or gender identity. ISK Group encourages its suppliers and contractors to adopt similar values where possible.

(5.2.2.) Respect for Privacy:

- ◆ ISK Group respects privacy of individuals consistent with laws and regulations as well as any ISK-issued privacy policy applicable in the countries and regions where ISK Group operates.

(5.2.3.) Prohibition of Inhumane Treatment:

- ◆ The ISK Group respects the human rights of employees and prohibits inhumane treatment, including abuse, corporal punishment, and harassment.

(5.2.4.) Freedom of Association/Collective Bargaining:

- ◆ ISK respects its Constituents' right to form, join, or not join a labour union in accordance with all applicable laws.

(5.2.5.) Health & Safety:

- ◆ ISK Group promotes the health and safety of its diverse Constituents by maintaining a healthy work environment, promoting a culture of safety, and ensuring compliance with applicable safety practices and procedures.

(5.2.6.) Fair Wages/Compensation:

- ◆ ISK Group complies with the laws and regulations concerning working time and wages applicable in the countries and regions where ISK Group operates.

(5.2.7.) Forced Labour/Child Labour:

- ◆ ISK Group opposes any form of forced labour or harmful child labour. ISK Group opposes forced labour and child labour and expects its suppliers and contractors to work towards the elimination of such practices in their supply chains.

(5.2.8.) Coexist with Local Communities:

- ◆ We understand potential adverse impacts on local communities such as right to land, access to water, health and indigenous rights, and we will strive to coexist with local communities.

3) Safety, Health, Security and Disaster Prevention

- ◆ Comply with laws and regulations related to safety, security, health, and disaster prevention and strive to prevent accidents and disasters in order to ensure the safety, security and health of the Group's

customers, suppliers, contractors, and employees as well as local residents.

Also, promote the creation of a comfortable working environment for employees.

- ◆ Being aware of the risks of accidents that may occur during work and the risks of exposure to health hazards, such as chemicals, noise, and bad odors, the ISK Group takes appropriate safety measures. The ISK Group also takes measures to consider the mental health of its employees.

We are in Japan taking the following measures to promote a comfortable working environment for ISK employees and to take care of their mental health, as part of our labor management at each business location.

- Centralization of health checkup systems and deployment of associated IT
 - Measures to encourage exercise habits
 - No-smoking program
 - Stress checks
 - Health consultations with industrial physicians and assignment of full-time public health nurses
 - Adoption of digital technology to improve productivity
 - Introduction of programs such as hourly paid leave and telework
 - Health seminars
- ◆ Promote communication with shareholders, customers, suppliers, contractors, local residents, and employees by reporting on activities related to the safety and health.

4) Response to Environmental and Climate Change Issues

- ◆ Being aware of the environmental issues in its business activities,

the ISK Group strives to conserve the environment and enhances climate change mitigation and adaptation in order to help build a sustainable society.

(5.4.1.) Effective Use of Resources and Energy:

- ◆ By setting voluntary targets for the efficient use of resources, including energy, water, and raw materials, the ISK Group strives to use them efficiently.

(5.4.2.) Reduction of Greenhouse Gas Emissions:

- ◆ The ISK Group advances initiatives aimed at reducing greenhouse gas emissions by managing them in its business activities.

(5.4.3.) Emissions into Air and Water:

- ◆ The ISK Group advances initiatives aimed at reducing pollutant emissions by monitoring and controlling wastewater, sludge, exhaust, and the like.

(5.4.4.) Water Resource Management:

- ◆ The ISK Group strives to make effective use of limited water resources by monitoring its water usage and discharge in compliance with laws and regulations.

(5.4.5.) Waste Management:

- ◆ The ISK Group disposes of waste appropriately in compliance with laws and regulations. The ISK Group also aims to reduce waste by promoting the 3Rs (reduce, reuse, recycle).

(5.4.6.) Chemical Management:

- ◆ The ISK Group aims to ensure people's safety and conserve the environment by systematically managing chemical substances in compliance with laws and regulations.

(5.4.7.) Conservation of Biodiversity:

- ◆ The ISK Group passes on rich ecosystems to the next generation by protecting the natural environment through the promotion of

biodiversity conservation.

(5.4.8.) Development of Eco-friendly Products:

- ◆ The ISK Group aims to develop products that have a low environmental impact, with an eye to realizing a sustainable society.

5) Fair Business Activities

- ◆ The ISK Group encourages fair, transparent, free competition among companies by providing opportunities openly to both domestic and overseas suppliers and contractors.

(5.5.1.) Prevention of Anti-Competitive Practices:

- ◆ In compliance with the Antimonopoly Act and the Subcontract Act, the ISK Group does not engage in unfair trade practices such as collusion, cartels, or abuse of a dominant bargaining position.

(5.5.2.) Prohibition of the Provision or Receipt of Improper Benefits:

- ◆ The ISK Group does not offer/accept bribes, improper kickbacks, or excessive entertainment or gifts to/from contractors or related parties.

(5.5.3.) Management of Hospitality for Public Officials:

- ◆ The ISK Group maintains healthy relationships with public officials by, for example, keeping hospitality for public officials at an appropriate level to prevent corruption.

(5.5.4.) Exclusion of Antisocial Forces:

- ◆ The ISK Group cuts off any relations with antisocial forces (for example, organized crime, gangs, and purveyors of fraud) and resolutely holds out against any unreasonable demands.
- ◆ The ISK Group cuts off any relations with criminal organizations and resolutely holds out against any unreasonable demands.

(5.5.5.) Respect for Intellectual Property Rights:

- ◆ Being aware of the importance of its own and other companies'

intellectual property, the ISK Group respects intellectual property rights, including patents, copyrights, and trademark rights.

(5.5.6.) Prohibition of Insider Trading:

- ◆ The ISK Group does not engage in insider trading or any stock transactions that may raise suspicion of insider trading.

6) Quality and Safety

(5.6.1.) Ensuring Product Safety:

- ◆ The ISK Group complies with the safety standards of each country and meets customer requirements by implementing appropriate quality control to ensure the quality and safety of its products and services.

(5.6.2.) Response to the Occurrence of Issues:

- ◆ In the event of an accident or other issue, the ISK Group will respond appropriately to customers, consumers, and other related parties while establishing systems for disclosing information, contacting the authorities concerned, recalling the products in question, and taking safety measures for entities to which the relevant products have been supplied.

(5.6.3.) Provision of Accurate Product and Service Information:

- ◆ The ISK Group displays and communicates accurate information about its products and services.

7) Information Security

(5.7.1.) Protection from Cyber Attacks:

- ◆ The ISK Group appropriately manages its computer networks while taking measures against external attacks on them so as not to cause damage to its own or other companies.

(5.7.2.) Prevention of Personal Information Leakage:

- ◆ The ISK Group appropriately manages and protects the personal

information of its customers, third parties, and its employees.

(5.7.3.) Prevention of Confidential Information Leakage:

- ◆ The ISK Group appropriately manages and protects confidential information received from its customers and third parties.

8) Supply Chain

(5.8.1.) Sustainable Procurement:

- ◆ For its business processes where products and services are produced, the ISK Group establishes a procurement policy and makes it well known both inside and outside the Group companies in order to achieve sustainable procurement practices throughout the supply chain.

(5.8.2.) Responsible Mineral Sourcing:

- ◆ For the procurement of 3TG (tin, tantalum, tungsten, and gold), cobalt, and mica that are contained in its products or required in the manufacturing process of its products, the ISK Group responds to requests to take measures to reduce risks by, for example, using raw materials produced at smelters certified as CFS.*

*CFS : Conflict Free Smelter

We make only limited use of tantalum, tin, tungsten, and gold ("3TG"), which are typically recognized as conflict minerals, in the manufacture of our Group's products. Tin compounds, which we use as a raw material in electroconductive materials and other substances, and tantalum, which we use in vacuum deposition, fall under the definition.

We require suppliers of tin compounds and tantalum to submit a report using the Conflict Minerals Reporting Template, a global standard for conflict mineral investigations developed by the Responsible Minerals Initiative. In this way, we verify the certification status of the refineries producing the tin and tantalum purchased by our suppliers. If necessary, we also confirm that the refineries have been certified as conflict-free by a third party.

9) Business Continuity Plan (BCP)

- ◆ The ISK Group establishes systems to ensure business continuity in the event of a large-scale disaster or other emergency.

Notes:

The wording of each item in the Behavioral Guidelines is in line with the ISK Group Policy on Human Rights, the ISK Group Basic Policy on the Environment, Safety and Health, and other publicly announced information provided by Ishihara Sangyo Kaisha, Ltd.

The official text of the Guidelines is in Japanese. In the event of any discrepancies between the Japanese text and the translation, the Japanese text will prevail.

The Behavioral Guidelines outlined in this document are intended as aspirational principles to guide suppliers and contractors in aligning their practices with ISK Group's values. ISK recognizes the varying capacities and regulatory environments of its suppliers and does not enforce compliance with these guidelines.