

Supply Chain Management

Supply Chain Management

Our Basic Policy

In order to allow high-quality, reliable and stable manufacturing, it is essential not only to ensure the quality of parts in procurement and their stable supply, but also to engage CSR procurement which takes into consideration labor ethics and the environment. ROHM Group will cherish continuous relationships of trust and cooperation with suppliers and aim for procurement activities in which both parties can grow on a sustainable basis.

Supply Chain Management Policy

ROHM shall view its corporate activities from economic, environmental, and social perspectives, and work toward the development of both the company and society by conducting procurement and logistics activities in accordance with the following seven policies.

1. Mutual Reliability and Prosperity

ROHM will recognize Suppliers as important partners of the enterprise activities, and importantly have a reliable and cooperative relationship, so that Rohm is able to mutually aim at building up win-win relationship.

2. Fair and Equal Footing Trade

ROHM shall deal with Suppliers on a fair and equal footing with humility when purchasing materials, semi-finished products, equipment, and other items needed for business activities or when outsourcing import/export services and logistics services. ROHM shall never enforce unfair trading practices by abusing its superior position.

3. Fair Selection

ROHM shall open its doors globally to a broad range of Suppliers to assure equality of trading opportunities. When selecting Suppliers, ROHM shall comprehensively consider a wide variety of aspects, including not only quality, technology, delivery, price, and support services, but also eagerness and systems to continuously improve their strengths and commitment to social responsibility in terms of ethics, respect for human rights, risk management, environmental conservation, occupational health and safety, and elimination of antisocial forces.

4. Proper Evaluation and Distribution for Added Value of Product and Service

ROHM shall conduct new products' development and cost reduction activities on the basis of strong partnership with Supplier. Also, Rohm shall promote proper evaluation and price for provided product and service through these activities.

5. Promotion of Green Logistics

ROHM shall actively promote green logistics together with Suppliers and aim to build a triple-win relationship that benefits ROHM, its suppliers, and society. ROHM shall perform fair evaluations in these activities and never force Suppliers to unfairly shoulder associated costs.

6. CSR Procurement/Logistics

ROHM shall promote CSR procurement/logistics by disseminating it, while fostering the understanding of Suppliers, in accordance with the ROHM Group Supply Chain Management Guidelines.

7. Security Export Control

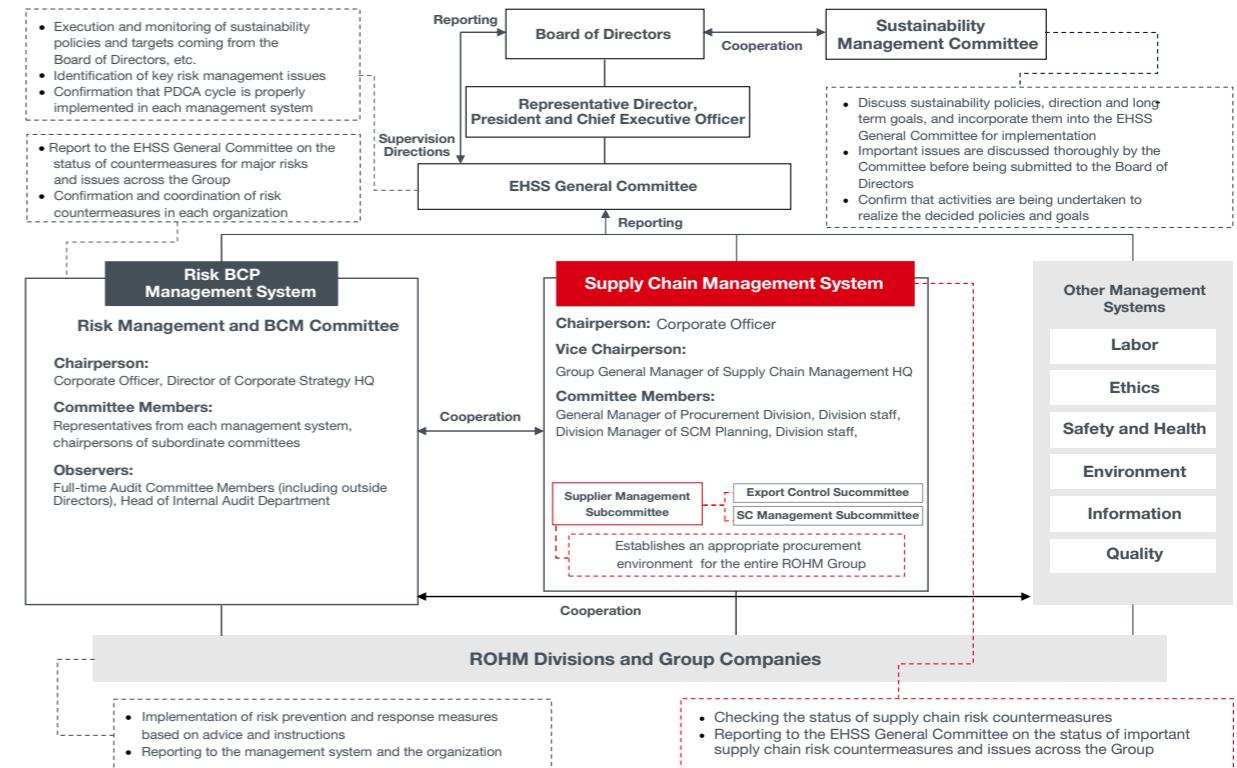
ROHM shall establish a clear control system for the export of technologies and goods regulated by national or regional laws and regulations and properly conduct export procedures.

Supply Chain Management

Promotional Structure

ROHM Group promotes the establishment of sustainable supply chains with suppliers through the effective operation of the supply chain management system. The Supply Chain Management System is subordinate to the EHSS General Committee*, which is composed of directors and divisional managers with executive authority, and monitors the execution of the policies and targets related to supply chain management set out by the Board of Directors. The Supply Chain Management System is responsible for the appropriate management of supply chain risks within the ROHM Group. The committee is chaired by an executive officer, and the Supplier Management Subcommittee, its subordinate organization, is responsible for the management and supervision of supply chain risks. The Supplier Management Subcommittee formulates targets, implements measures, and evaluates them under the theme of creating an appropriate procurement environment for the entire ROHM Group, and reports the progress and results of these activities to the supply chain management system on a regular basis. The EHSS General Committee also evaluates and confirms that the PDCA cycle of the Supply Chain Management System is properly implemented, and reports and consults with the Board of Directors as necessary, and checks that a system is in place to maintain and improve the accuracy of the management system. The Board of Directors works in conjunction with the Sustainability Management Committee to discuss sustainability-related policies, directions, and long-term targets, and incorporates the decisions made into the EHSS General Committee and supervises whether activities are being carried out to achieve these targets.

*EHSS (Environment, Health and Safety, Sustainability) General Committee: A committee composed of executive officers in charge of eight subordinate management systems (Risk Management BCP, Supply Chain, Labor, Ethics, Health and Safety, Environment, Information, Quality) and ensures that the PDCA cycle for each system is being properly implemented.



Supply Chain Management

Targets

ROHM has identified “sustainable supply chain management” as an important issue for achieving the medium-term management plan launched in 2021, and has set the target for 2025. We will continue to work toward the sustainable growth of society and ROHM Group.

Sustainable Supply Chain Management

[Background and Challenges for Activities]

In order to stably bring high-quality products to the world that meet the needs of society, it is essential to establish a robust procurement system and build strong partnerships with our business partners, which are important partners. In addition, to provide society with high-quality products in preparation for natural disasters and infectious diseases, which have recently become a threat to business continuity risks, it is essential to establish a management system with all suppliers surrounding the ROHM Group in terms of quality, safety, the environment, human rights, and BCM together with business partners, and to improve management quality throughout the supply chain.

With our business partners, we will work together to establish a procurement system that meets the expectations of society and build a sound supply chain to provide society with high-quality products based on the concept of mutual trust and prosperity.

Theme	Targets (Target Year: FY2025)	Targets for FY2024	FY2024 Results	Targets for FY2025
Strengthening BCM System	①Purchasing ratio of 90% or more from suppliers who have completed comprehensive evaluation of supplier activities	90.0%	94.5%	94.5%
	②100% CSR self-assessment ratio of critical suppliers	80.0%		
		(Consolidated)	90.0%	100.0%
Promotion of CSR procurement activities	③100% prior agreement rate for emergency response of critical suppliers	80.0%	86.0%	100.0%
	90% or more of purchases from suppliers* with CSR Self-Assessment result of B or higher	85.0%		
		(Consolidated)	90.7%	90.0%

*The target for FY2025 has been revised to include only material suppliers in the calculation.

[Related Activities]

Working Together with Suppliers

Supplier Selection

ROHM Group has adopted the RBA Code of Conduct to pursue sound and sustainable procurement activities. Cooperation with suppliers is essential for promoting CSR procurement activities based on the RBA Code of Conduct.

When selecting suppliers, we make decisions based on rational criteria such as quality, price, delivery time, stable supply, environment, finance, human rights, and ethics, as described below. Among these, ESG evaluation items account for 40% of the selection criteria, demonstrating the importance we place on our suppliers' ESG initiatives. In addition, ROHM Group distributes the ROHM Group Supply Chain Management Guidelines, which specify ROHM Group's approach to CSR procurement, to all suppliers and requests them to promote activities based on the guidelines.

Supplier Selection Criteria

1. Promotion of ROHM Group Supply Chain Management Guidelines
2. Conclude "basic transaction contract" that encompasses the RBA Code of Conduct
3. Properly ensure the quality, price, and delivery date of materials and services
4. Stable supply capacity and ability to flexibly respond to fluctuations in demand
5. Supply continuity plan to prepare for unforeseen circumstances, such as the occurrence of natural disasters
6. Technological capabilities that can contribute to the product
7. Sound business conditions
8. Responsible mineral and green procurement to meet our demands
9. Appropriate management and protection of confidential information obtained through transactions with us

ROHM Group Supply Chain Management Guidelines

ROHM Group Supply Chain Management Guidelines are based on the RBA Code of Conduct, which covers occupational health and safety (including human rights), environment, labor and safety, environment, ethics, and management systems, and combines requirements for crisis management, information security, logistics, and quality compliance. We ask our suppliers to comply with these guidelines. We distribute the guidelines directly to our suppliers, but they can also be downloaded from the link below.

[PDF](#) ROHM Group Supply Chain Management Guidelines Rev.12(Japanese)

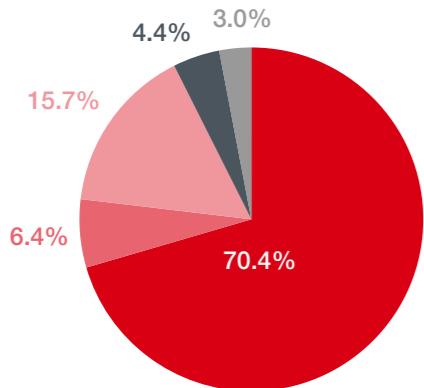
[PDF](#) ROHM Group Supply Chain Management Guidelines Rev.12(English)

Working Together with Suppliers

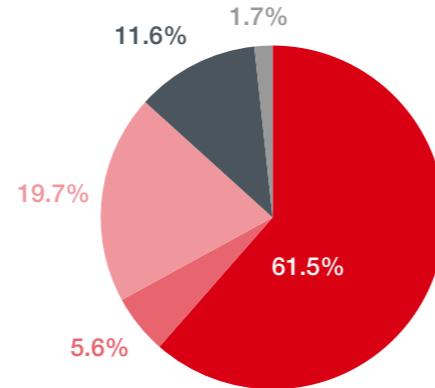
Supply Chain Overview

ROHM Group's supply chain is as follows. (FY2024)

Ratio of Suppliers by Region(Materials)



Ratio of Purchase Amount by Region(Material)



■ Japan ■ ASEAN ■ China ■ America ■ Europe

■ Japan ■ ASEAN ■ China ■ America ■ Europe

Identifying Critical Suppliers

ROHM Group recognizes suppliers particularly important for business continuity as "Critical Suppliers".

Critical suppliers are identified from among material suppliers that meet all of our supplier certification criteria. As a prerequisite, suppliers must agree to comply with ROHM's "ROHM Group Supply Chain Management Guidelines." In addition, we select suppliers based on procurement amounts, product-specific risks, country-specific risks, and sector-specific risks (critical materials and materials that are difficult to replace).

Working Together with Suppliers

Flow of Selection of Critical Suppliers



【 Measures for All Suppliers 】

For suppliers, we request and support continuous improvement by providing support for the establishment of management systems for quality and BCP, in addition to the environment, society, and governance, and by evaluating their operations.

【 Measures for Critical Suppliers 】

We ask our critical suppliers to comply with the RBA Code of Conduct requirements to ensure sustainable transactions. Specifically, we request that suppliers aim to obtain an A or A- rating in the CSR Procurement Self-Assessment. In addition, through reviews of self-assessments conducted by suppliers, interviews, and audits, ROHM provides support to identify and improve our suppliers' issues. We also report the results to the company management through management reviews to ensure the management of business continuity risk.

*1:Environment Management System

*2:Chemical Substances Management System

*3:Chemicals in Products

*4:Quality Management System

Working Together with Suppliers

In order to promote sustainable procurement, it is essential to have a relationship of trust and cooperation with suppliers. ROHM Group strives to strengthen these relationships through close communication with suppliers as well as evaluation and audit programs.

Assessment and Audit Program

1.Comprehensive Activity Evaluation	<p>①Product quality ②Delivery time ③Price ④Continuity of supply *BCP initiative evaluation, financial evaluation by external evaluation organizations ⑤Results of CSR procurement self-assessment shown below</p>
2.CSR Procurement Self-assessment	<p>Self-evaluation of Labor (including human rights), Health and safety, Environment, Ethics, and Management systems that are in accordance with the RBA Code of Conduct, as well as ROHM's original items of Information security, Procurement BCP, Logistics, and Quality Compliance. For suppliers identified as high-risk sustainability suppliers, ROHM provides support for corrective actions and improvements.</p>
3.CSR Procurement Audits	<p>Through dialogue with suppliers, ROHM checks the contents of self-assessments, checks factories, and requests improvements as necessary, with the aim of gaining their understanding and endorsement of the ROHM Group's policies and approach to CSR procurement, the importance of consideration for the environment, safety, and human rights, as well as the content of our activities.</p>
4.Procurement BCP	<p>Assess risks and their impact on stable supply, and quarterly check the response status to the identified critical risks.</p>

Comprehensive Activity Evaluation

ROHM Group comprehensively evaluates its suppliers' activities, including the CSR Procurement Self-Assessment results described in the next section, as well as their product quality, delivery time, price, and BCP initiatives. The comprehensive evaluation is conducted at the following times.

1) When selecting suppliers and concluding contracts

If suppliers do not reach the minimum score set by ROHM in the CSR Procurement Self-Assessment, they cannot enter into a contract with ROHM until you do so.

2) Periodically (once a year)

We comprehensively evaluate our suppliers' activities over the course of a year and provide them with feedback. If suppliers do not receive the minimum score set by ROHM within a certain period of time, they will be excluded from the contract.

Working Together with Suppliers

CSR Procurement Self-Assessment

Every year, ROHM Group asks suppliers to self-evaluate their CSR activities regarding Labor (including human rights), Health and safety, Environment, Ethics, and Management system as specified in the RBA Code of Conduct, as well as ROHM's original items of Information security, Procurement BCP, Logistics, and Quality Compliance, to check the progress of their CSR activities.

The ranks are assigned based on the overall score of the self-assessment, and suppliers' ESG risks are identified.

We recognize critical suppliers with a rank lower than B and other suppliers with a rank lower than C as sustainability high-risk suppliers, and we request each supplier identified as a sustainability high-risk supplier to take corrective action and provide support for improvements.

However, if there is no sign of improvement despite repeated requests for improvement, we may consider the risk of continuing transactions in the "Overall Activity Evaluation" of the supplier and make a decision to suspend transactions.

< CSR Procurement Self-Assessment Process >



Working Together with Suppliers

< Self-assessment Achievement Target >

ROHM Group has set a goal of having all of its clients, which account for 90% of its annual purchases, achieve a rank of B or better by 2025.

Achievement Target (FY2025)	Subject	Target for FY2024	FY2024 Result	Target for FY2025
90% or more (in terms of value)	ROHM Group	85.0%	90.7%	90.0%

< Self-assessment Evaluation Criteria >

Rank	A+	A-	B	C	D
Average Score	4.50~5.00	4.00~4.49	3.00~3.99	2.00~2.99	0~1.99

We calculated the average score for each item in the FY2024 CSR Procurement Self-Assessment.

We compare the results for material-related and equipment-related suppliers, as well as year-over-year changes as follows.

[PDF](#) CSR Procurement Self-Assessment Material-related and Equipment-related Suppliers Comparison Result

[PDF](#) CSR Procurement Self-Assessment Year-over-Year Comparison Result

Working Together with Suppliers

< Percentage of ROHM (Non-consolidated) Suppliers (Resident Vendors on Premises) Conducting Assessments >

	FY2022			FY2023			FY2024		
	Total	Assessment Results	Of which Sustainability High Risk Suppliers (*)	Total	Assessment Results	Of which Sustainability High Risk Suppliers (*)	Total	Assessment Results	Of which Sustainability High Risk Suppliers (*)
Manufacturing Contracting	1	1	-	1	1	-	1	1	-
Security	2	2	-	2	2	-	3	3	-
Cafeteria	4	4	-	3	3	-	3	3	-
Cleaning	2	2	1	3	3	-	3	3	-
Equipment & Facilities	5	5	-	4	4	-	3	3	-
Other	4	4	2	4	4	1	4	4	2
Total/Number of Companies (Percentage)	18	18	3 16.7%	17	17	1 5.9%	17	17	2 11.8%

*Sustainability High-risk suppliers:

Suppliers other than critical suppliers with an overall rating of C or below in the CSR Procurement Self-Assessment and who are deemed to have negative impacts on sustainability aspects. We request improvements from them every year after the assessment is completed.

< Assessment results for ROHM (non-consolidated) suppliers (resident contractors on premises) >

	FY2022					FY2023					FY2024				
	A	A ⁻	B	C	D	A	A ⁻	B	C	D	A	A ⁻	B	C	D
Manufacturing Contracting	1	-	-	-	-	1	-	-	-	-	1	-	-	-	-
Security	2	-	-	-	-	-	-	-	-	-	2	-	-	-	-
Cafeteria	1	1	2	-	-	-	-	-	-	-	1	2	-	-	-
Cleaning	-	-	1	1	-	-	-	1	2	-	-	-	1	2	-
Equipment & Facilities	2	1	2	-	-	2	1	1	-	-	1	2	-	-	-
Other	-	1	1	2	-	-	-	1	2	1	-	-	1	1	2
Total	6	3	6	3	0	3	6	7	1	0	4	6	5	2	0

Working Together with Suppliers

We conduct CSR procurement audits and provide improvement support to critical suppliers that are classified as high-risk suppliers in terms of sustainability.

		FY 2024 Assessment Results (number of companies)						Number of companies requested to make improvements	CSR Procurement Audits.			
		Total	A	A-	B	C	D		Number of companies receiving improvement support	Number of improvement requests	Number of completed improvements	Improvement completion rate
Critical Suppliers	50	36	10	4	-	-	4	3	10	10	100	
Of which Tier-1	28											
Of which other than Tier-1	22											

* Sustainability High-risk Suppliers: critical suppliers ranked B or lower.

We conduct improvement requests, on-site interviews, and provide improvement support to suppliers other than critical suppliers that are classified as high-risk suppliers in terms of sustainability.

		FY 2024 Assessment Results (number of companies)						Number of companies requested to make improvements	CSR Procurement Audits.			
		Total	A	A-	B	C	D		Number of companies receiving improvement support	Number of improvement requests	Number of completed improvements	Improvement completion rate
Suppliers other than Critical Suppliers	287	113	97	71	5	1	6	2	11	11	100	

* Sustainability High-risk Suppliers: suppliers ranked C or lower.

We request improvements in response to risks related to the five human rights issues (forced labor, freedom to leave employment, requirement to deposit certificates, child labor, and discrimination, as indicated by low responses to assessment questions).

	Total	Companies requested to make improvements
All Suppliers	337	28

Working Together with Suppliers

CSR Procurement Audits

ROHM Group conducts CSR procurement audits in accordance with the RBA Code of Conduct.

The audits are conducted by CSR procurement staff in a second-party audit format, with on-site or online document checks and factory and dormitory inspections.

The audits target critical suppliers of ROHM Group, and their main purpose is to verify the CSR Procurement Self-Assessment.

If corrective actions are deemed necessary during the audit, ROHM consults the suppliers and has them prepare and submit an improvement plan. Until the corrective action is completed, ROHM provides follow-up for the supplier.

The CSR procurement audit is not only a means of ascertaining the actual situation but also an opportunity to communicate the ROHM Group's policies, CSR procurement policies, and activities to suppliers, as well as an opportunity to deepen mutual understanding of CSR activities with suppliers.

< CSR Procurement Audit Results >

	Subject	FY2022	FY2023	FY2024
Number of Suppliers Audited	ROHM Group	13	23	3

CSR Procurement Audit Corrective Action and CAP Process

ROHM Group uses the results of the CSR Procurement Self-Assessment as follows. ROHM Group conducts on-site audits of critical suppliers to verify the results of the CSR Procurement Self-Assessment. In FY 2024, ROHM requested improvements from four companies that received a B rating among the ROHM Group's critical suppliers. We also conducted on-site audits of three of those companies. We have confirmed that all of the requested improvements have been made. If any of the requests for improvement made during the CSR procurement audit are useful as a reference for improvement, ROHM will provide the information on the measures it has implemented and the formats it uses upon request.

In addition, when a critical supplier is rated B, C, or D in the five levels based on the overall assessment score, ROHM send them a request for improvement and select several material and equipment manufacturers to visit for interviews. In FY 2024, we sent requests for improvement to six companies. We visited two of these companies to discuss areas for improvement and confirm the results of their improvements. This includes watching the JEITA "Code of Conduct" video to deepen their understanding of CSR.

In addition, 28 suppliers that gave low scores in the five items related to human rights (forced labor, child labor, freedom to leave employment, etc.) were asked to improve their performance.

Working Together with Suppliers

BCP of Procurement

As part of the Business Continuity Plan (BCP), ROHM Group deepens its cooperation with suppliers from normal times to maintain a system that can be quickly restored, and prepares alternative materials, so as not to interrupt customers' business even in emergency situations.

① Definition of Risk in the Procurement Department

ROHM Group has established a Risk Management and BCM Committee to manage risk in each department. In addition to the four existing risks of quality, delivery, cost and compliance, the procurement Division also evaluates risks in stable supply and their impact, and checks the state of responses to the key risks identified each quarter.

② Selection of suppliers

As also asked in the Basic Stance Requested of suppliers, information is shared across the entire supply chain, including our suppliers, during times of emergency. We therefore select suppliers who can do so and respond in a way that ensures a continuous supply. Furthermore, when entering into business relations, we respectfully ask suppliers for the understanding of our basic stance, and to submit written pledges.

③ BCP Initiatives

In order to be able to promptly confirm the damage, safety, and supply status of our suppliers in the event of an emergency, we are researching and compiling a database of information on the manufacturers and manufacturing locations of procured parts and materials.

< Survey of Tier-1 Suppliers' Production Sites >

We are currently conducting a survey of all materials, equipment, and parts procured from tier-1 suppliers, with the goal of conducting a survey of 100% production sites by FY2025 so that we can instantly identify the scope of impact in case of an emergency. The results of these efforts are numerically managed as the "tier-1 supplier production site survey ratio" and are monitored annually.

	Target for 2025	Target for FY2024	FY2024 Result	Targets for FY2025
Main Materials	100%	80%	90%	100%

• BCP Initiatives for Critical Suppliers

[Prior Agreement on Emergency Response]

In addition to the measures mentioned above with suppliers who handle critical materials, ROHM Group is promoting efforts to ensure that ROHM and suppliers agree in advance on how to respond to emergency situations. ROHM has set a goal of achieving 100% prior agreements by FY2025. We manage our efforts' results numerically as the "prior agreement rate for contingency measures" and conduct yearly monitoring.

Target for 2025	Target for FY2024	FY2024 Result	Target for FY2025
100%	80%	86%	100%

Responsible Mineral Procurement

Responsible Mineral Procurement

The considerations for responsible minerals procurement are heightened lately, following the enactment of The US Dodd-Frank Wall Street Reform and Consumer Protection Act in July 2010. Especially the concern regarding conflict minerals (tin, tantalum, tungsten, and gold commonly known as “3TG”) that are mined from the Democratic Republic of the Congo and surrounding areas and used by an armed group or anti-government force as a source of funds.

According to the Article 1502 of The Securities and Exchange Commission (SEC), companies listed on securities exchanges in the US are required to investigate/report usage conditions regarding conflict minerals that are mined from the Democratic Republic of the Congo and surrounding areas that are used by an armed group or anti-government force as a source of funds. With the EU Conflict Minerals Regulation coming into effect in 2021, the need for and importance of responsible mineral procurement will become increasingly important. As we enter a new phase, ROHM Group is committed to responsible mineral procurement throughout the supply chain, not only with regard to conflicts, but also with regard to risks such as human rights violations and environmental destruction, including OECD Annex II risks, as well as tin, tantalum, tungsten, gold, cobalt, mica, and other minerals that may be involved in illegal activities.

Policy

1. We do not use conflict minerals illegally mined in the DRC and adjoining countries as raw materials for our products.
2. In conflict and high-risk areas (CAHRAs), we will establish a management system based on the “Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict and High-Risk Areas (OECD Guidance)*1” of the Organization for Economic Cooperation and Development (OECD), and will implement measures to avoid procuring from suppliers with risks such as human rights abuses, environmental destruction, and conflict.
3. In the unlikely event that we discover the use of conflict minerals as a source of funding for armed groups, we will promptly inform our customers and take corrective measures.

*1. OECD Due Diligence Guidance :OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

We also request that our suppliers understand ROHM Group’s policy and make efforts to comply with them.

Promotion System

The executive officer chairs the Supply Chain Management System Committee of the EHSS General Committee, which formulates targets, implements measures, and conducts evaluations under the theme of creating an appropriate procurement environment for the entire ROHM Group.

Responsible mineral procurement is led by the Supplier Management Group in the Supplier Management Subcommittee, a subordinate organization of the Supply Chain Management System, and its activities are based on the ROHM Group’s standard ROHM Group Procedures for Responsible Mineral Procurement.

Every year, we analyze the results obtained through CMRT^{*2} and EMRT^{*3} surveys to identify risks and take corrective actions. We also report the progress and results to the supply chain management system every three months.

In addition, as a member of the “Smelter Support Team” of the JEITA^{*4} Responsible Mineral Procurement Study Group, ROHM sends a letter to smelters requesting their participation in RMAP^{*5} audits.

*2. CMRT:Conflict Minerals Reporting Template

*3. EMRT:Extended Minerals Reporting Template

*4. JEITA:Japan Electronics and Information Technology Industries Association

*5. RMAP:Responsible Minerals Assurance Process(Program to certify smelters by RMI)

Responsible Mineral Procurement

Responsible Mineral Procurement Survey

To ensure that customers can use ROHM products with peace of mind, the Supply Chain Management Headquarters plays a central role in conducting the following assessment processes in accordance with OECD Due Diligence Guidance.

Mineral Procurement Survey Process

STEP1 : Construction of a Management System

- ROHM uses the Sustainability Guidebook, an in-house educational material on sustainability, and our website to inform people both inside and outside the company about ROHM Group's Responsible Mineral Procurement Policy.
- ROHM provides education on responsible mineral procurement to procurement division staff in charge of surveys, in an effort to increase their knowledge, understanding, and motivation regarding the initiatives.
- ROHM has established a system for surveying and assessing the risk of 3TG, cobalt, and mica contained in its products in cooperation with related departments in Japan and overseas in accordance with the group standards.
- ROHM seeks the support of the suppliers for ROHM Group's responsible mineral procurement activities and asking for their cooperation in submitting consent forms.
- ROHM appropriately manages and stores information on survey results in accordance with internal rules.
- ROHM requests the suppliers to do business with RMAP-certified smelters at the time of survey request.
- ROHM requests the suppliers to comply with ROHM Group's Responsible Mineral Procurement Policy and to sign an agreement. ROHM requests the suppliers to comply with ROHM Group's Responsible Mineral Procurement Policy and to sign an agreement.

STEP2 : Identifying and Assessing Risks in the Supply Chain

- Selecting from parts and materials purchased annually those that need to be surveyed, we conduct surveys for suppliers using CMRT and EMRT provided by RMI.
- ROHM collects and processes the data provided by the suppliers and identifies the supply chain down to the smelter level. We also ask suppliers to disclose the country of origin of the mines they use during the survey so that we can identify all countries of origin.
- For smelters, ROHM confirms participation and completion of third-party audits such as the latest RMAP.
- Conducting a risk assessment and identify risks within the supply chain.

STEP3 : Develop Strategies and Implement Measures to Address Identified Risks

- To ensure continuous risk mitigation, ROHM establishes a Responsible Mineral Procurement Survey Plan every year, updates the latest information, and conducts due diligence as necessary.
- For smelters that have not yet completed third-party audits such as RMAP, ROHM works with the suppliers to request third-party audits.
- If a smelter is identified by a customer as a concern, ROHM confirms the issues raised, informs the customer of the nature of the risk, and discusses appropriate measures (e.g., re-inspection of the smelter) with the customer.
- In the event that a relationship with armed forces or human rights violations becomes clear, we will promptly discuss with our business partners to suspend transactions.

STEP4 : Conducting an Audit of the Smelter's Due Diligence Status by an Independent Third Party

- As a member of the JEITA Responsible Mineral Procurement Study Group and Smelter & Refinery Support Team, ROHM works directly with smelters to request third-party audits.
- ROHM reviews RMI and smelter websites to confirm their participation and schedule for audits.

STEP5 : Annual Report on Supply Chain Due Diligence

- ROHM's responsible mineral procurement initiatives will be disclosed annually on our website.

Responsible Mineral Procurement

3TG Survey Results

In FY2024, ROHM Group continued to conduct a survey of the parts and materials it purchases. We carefully examined the responses, and for suppliers who used smelters that were not RMAP-certified or who responded at the company level, we requested a re-survey and due diligence in order to improve their responses' reliability.

- Suppliers surveyed : 145 companies
- Suppliers who provided survey responses : 145 companies, 100%
- Specified smelters : 196 companies for all minerals (Of these, 190 have obtained RMAP certification for RMI)

3TG Survey Results (FY2023)

	Gold	Tantalum	Tin	Tungsten	Total
All Smelters	94	30	43	29	196
Number of CFS* Certified Smelters	90	30	40	29	190
CFS* Certification Rate	96%	100%	98%	100%	97%

* CFS:Conflict Free Smelter ROHM defines a CFS as a smelter certified by the Responsible Minerals Assurance Program (RMAP) of the Responsible Minerals Initiative (RMI).

To date, no use of conflict minerals, which are a source of funding for armed groups, has been confirmed in our surveys.

In FY 2024, the CFS rate was 97%, unchanged from the previous fiscal year. We will encourage the remaining 3% of non-certified smelters to switch to CFS-certified smelters through our business partners. If it is discovered that any of the products of ROHM Group are using conflict minerals that are funding armed groups, we will take immediate corrective action.

Cobalt and Mica Procurement

Cobalt is used in lithium-ion batteries, which are essential for electric vehicles, cell phones, and laptop computers, while mica is widely used for components in the fields of home appliances and next-generation energy. In the Democratic Republic of Congo (DRC), the world's largest producer of cobalt, and in India, where mica is mined, unsafe working conditions and child labor risks have emerged in recent years.

ROHM Group SCM Guidelines stipulate a labor and ethics policy that includes the prohibition of all forms of forced labor and child labor, and based on this policy, ROHM promotes responsible mineral procurement for minerals that it deems to be a risk. With regard to cobalt and mica, which have become a social issue as mentioned above, ROHM has determined that it is necessary to take immediate action and is conducting investigations using EMRT provided by RMI to ascertain the content of cobalt and mica, investigate the country of origin, and identify the smelter. ROHM will continue the same activities in the future, as we regard it as our mission to increase "transparency" in the responsible mineral supply chain.

Results of Cobalt Survey

- Suppliers surveyed : 59 companies
- Suppliers providing survey responses : 59 companies, 100%
- Cobalt smelters identified: 71 companies

Responsible Mineral Procurement

Cooperation with Industry Groups

ROHM is a member of the JEITA Responsible Mineral Procurement Study Group, which was established in 2012 with the aim of collaborating with industry and establishing research methods for responsible mineral procurement.

Every year, we participate in responsible mineral surveys held by the Responsible Mineral Procurement Study Group, and work to penetrate the industry supply chain. In order to respond to growing international demand, we are promoting responsible procurement activities through industrial activities, such as encouraging smelters that have not received RMAP (Refinery Audit Protocol) certification to undergo RMAP audits.



Green Procurement

Attitude toward Promoting Green Procurement

ROHM Group recognizes the importance of natural capital as stated in our Environmental Policy, and has made the promotion of efforts that contribute to and take into consideration the global environment as an important management issue. Aiming for the sustainable development of society without destroying the global environment requires recycling business activities with a lower impact on the environment. ROHM Group not only complies with environmental laws, regulations, treaties and international guidelines throughout the entire supply chain, but is also engaged in the procurement of environmentally friendly parts and materials.

As legal regulations on the management of chemical substances become increasingly stringent, ROHM Group has worked to increase the precision of investigations of chemical substances contained in the parts and materials it procures to promote green procurement. The Group has created a system for not procuring prohibited substances by screening the substances contained in parts and materials by referring to ROHM's own standards and only registering those that meet the standards in the "Procurement System" as allowed products. Furthermore, in order to ask suppliers to conduct thorough management of chemical substances contained in products, ROHM Group issues Control Standard of Chemical Substances in Products, and asks them to confirm compliance with the designated standards for the parts and materials handled.

 Control Standard of Chemical Substances in Products Rev.004

Achievement Targets and Initiatives

[Target]

Raise suppliers' environmental management systems to a level acceptable to our standards through feedback and improvement activities based on the results of their environmental management system self-assessments.

[Achievement Indicator]

Pass rate of self-assessment of suppliers' environmental management systems : 100%

Achievement Targets (Target Year: 2025)	Subject	Target for FY2024	FY2024 Result	Target for FY2025
100%	ROHM	96.0%	99.5%	100.0%
	ROHM Group	92.0%	93.6%	100.0%

Green Procurement

Assessment Results for ROHM

Evaluation Category	ROHM Standards Compliance Rate	FY2023		FY2024		Corresponding
		Number of Companies	Percentage of Total	Number of Companies	Percentage of Total	
A	70% or more	376	92.8%	413	99.5%	-
B	40% or more Less than 70%	1	0.2%	0	0.0%	<ul style="list-style-type: none"> • We check the results of self-assessment of suppliers' environmental management systems, and understand their issues and situations based on the items with low scores. • We send a written request for improvement to suppliers and ask them to make improvements.
C	Less than 40%	1	0.2%	0	0.0%	<ul style="list-style-type: none"> • We support the improvements to increase the results of our suppliers's environmental management system self-assessment to 40% or more.
Requested Correction		9	2.2%	2	0.5%	
Unanswered		18	4.4%	0	0.0%	
Total		405	100.0%	415	100%	

Assessment Results for ROHM Group

Evaluation Category	ROHM Standards Compliance Rate	FY2023		FY2024		Corresponding
		Number of Companies	Percentage of Total	Number of Companies	Percentage of Total	
A	70% or more	1,115	87.7%	957	93.6%	-
C	Less than 40%	16	1.3%	7	0.7%	<ul style="list-style-type: none"> • We check the results of self-assessment of suppliers' environmental management systems, and understand their issues and situations based on the items with low scores. • We send a written request for improvement to suppliers and ask them to make improvements.
Requested Correction		9	0.7%	5	0.5%	<ul style="list-style-type: none"> • We support the improvements to increase the results of our suppliers's environmental management system self-assessment to 40% or more.
Unanswered		131	10.3%	53	5.2%	
Total		1,271	100%	1,022	100%	

Green Procurement

Past Activities

FY2020	As a result of the evaluation based on ROHM's own standards, three suppliers did not meet some of the requirements.
FY2021	As a result of their efforts to improve corrective actions, two suppliers met ROHM's required standards.
FY2022	Conducted periodic self-assessment using the Survey Sheet for Chemical Substances Contained in Products once every three years. The number of companies subject to the survey has been reduced due to close scrutiny of the supply chain. In addition, for suppliers that did not meet some of the requirements this time, we have started activities for improvement by identifying issues and sharing the situation with them.
FY2023	Started assessments at ROHM Group level. For suppliers who do not meet some of the ROHM's standards or who are not responding, we are trying to check the situation and identify the issues, and to promote initiatives for improvement.
FY2024	The percentage of compliance increased as corrective measures progressed. For business partners that do not meet some of ROHM's standards and those that did not respond, we are working to confirm the situation and identify issues, and are promoting initiatives for improvement.

Thorough Fair Business Dealings

Thorough Fair Business Dealings

The business activities of ROHM Group are made possible by the cooperation and support of our suppliers. ROHM Group Business Conduct Guidelines, which serves as the basic code of ethics for conducting business activities, also mentions equal and fair dealings, and stipulates that all officers and employees comply with the law which relates to the purchase transactions and will never abuse our position to force suppliers into unfair circumstances.

ROHM has created mechanisms for preventing corruption such as embezzlement and bribery, and thoroughly educates and informs its employees to ensure dealings with suppliers are fair and ethical.

 [ROHM Group Business Conduct Guidelines](#)

1. Partnership Building Declaration

Since January 2021, ROHM has set up the Partnership Building Declaration. The Partnership Building Declaration aims to build new and strong partnerships with suppliers and businesses that create their value. This system has been established by the Council on Promoting Partnership Building for Cultivating the Future which consists of the Japan Business Federation Chairman, the Chairman of the Japan Chamber of Commerce and Industry, the President of the Japanese Trade Union Confederation, and related ministers.

ROHM will conduct fair and ethical transactions with suppliers in compliance with “coexistence and co-prosperity of the entire supply chain and new cooperation that transcends scale and affiliates” and “promotion standards (*)”.

Promotion standards: Refers to desirable trading practices between the parent company and the subcontractor.

ROHM has set the following five compliance items to optimize transactions.

1. Optimization of price determination method
2. Optimization of type management
3. Thorough implementation of the principle of cash payment
4. Protection of intellectual property and know-how
5. Do not impose a burden on the supply chain when advancing our work style reform such as long working hours, short delivery time, etc.



Thorough Fair Business Dealings

2. Education on the Subcontractors Act

In order to conduct fair dealings, each employee of ROHM Group must not forget that they are the “face of ROHM” and must build and maintain healthy relationships with suppliers. In order to promote transactions based on fair prices, an understanding of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (Subcontractors Act) and the Act on the Promotion of Small and Medium-sized Enterprises (Promotion Standards) is necessary to achieve this. ROHM Group conducts e-learning on the Subcontractors Act to provide employees with a deeper understanding of the Act and enable them to conduct dealings in compliance with the law.

[Participation Percentage]

Educational Contents	Subject	FY2022	FY2023	FY2024
E-learning on proper trade	ROHM	98%	-	100%(*)

*Since FY 2024, we have been providing practical training on the Subcontract Act to procurement staff who negotiate directly with business partners.

3. “Conduct Guidelines” Training

In order to ensure that members of the ROHM Group Procurement Department do not have a private interest with suppliers, we have formulated “Conduct Guidelines for suppliers” and thoroughly educated the procurement department employees to ensure compliance based on ethics.

[Guidelines for Conduct with Suppliers Department Staff Trained in Compliance Based on Ethics Guidelines]

Training Content	Subject	FY2022	FY2023	FY2024
Compliance based on ethics Guidelines Education	ROHM Group in Japan	100%	-	100%

4. Promotion of Fair Trade Program

We have established a mechanism to maintain fair and impartial procurement activities by rotating the job responsibilities within up to 60 months so that there is no conflict between procurement staff and our specific suppliers. In addition, we conduct annual training as part of our fair trade program. The content of the training is based on ESG topics, including fair and equal procurement activities, fair selection of business partners, and CSR procurement.

[Number of participants in Fair Trade Program]

Training Content	Subject	FY2022	FY2023	FY2024
Fair Trade Program	ROHM Group Procurement Staff	57	55	47

5. Feedback on Compliance Survey Results

ROHM conducts surveys of suppliers through a third-party organization to investigate compliance of ROHM employees in order to establish an environment where misconduct or dishonest behavior do not arise and are not caused by our employees in day-to-day operations. The feedback on the results of the survey is provided to employees, including executives, to further prevent impropriety such as collusion and embezzlement.

Thorough Fair Business Dealings

6. Compliance Hotline for Suppliers

ROHM Group has established a “Compliance Hotline for Suppliers” as a contact point where suppliers can consult and report compliance issues related to transactions.

We ask our suppliers to contact the Compliance Hotline for Suppliers in case they encounter any behavior that violates laws or ethical standards in their business dealings with ROHM or any ROHM Group company. In order to raise awareness of this hotline among our business partners, we distribute information about it every year when requesting CSR procurement self-assessments. Information about the hotline is also posted in each room and booth of the business meeting lobby at ROHM's Head Office.

We will not treat anyone who reports a violation for legitimate reasons in an unfavorable manner on the basis of their report.

