

Supply Chain Management

Ensuring purchasing activities in line with procurement guidelines

The UBE Group endeavors to build fair and honest business relationships. We conduct purchasing activities in line with the UBE Group Sustainable Procurement Guidelines in the areas of fair and equitable transactions, objective assessment in the selection of business partners, legal compliance and confidentiality, green procurement, and sustainable procurement, as disclosed in the Sustainable Procurement section of the UBE Group's website.

Please see the Sustainable Procurement section of the UBE Group's website for information on purchasing activities.

<https://www.ube.com/ube/en/sustainability/society/procurement/>

Declaration on partnership building

In April 2022, the UBE Group joined the Declaration on Partnership Building^{*1}, through which it committed itself to focusing on the following endeavors to build new partnerships by collaborating with supply chain partners and promoting UBE's founding principle of Coexistence and Mutual Prosperity. The Group will also comply with the revision of promotion standards based on the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises as amended in April 2025.

- Pursue coexistence and mutual prosperity throughout the supply chain and newly collaborate with entities of all sizes and affiliations
 - Ensure that parent enterprises and subcontractors comply with desirable business practices (promotion standards based on the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises)
- The UBE Group will complement its supply chain building declaration and draw on its endorsement of Declaration of Voluntary Activities under the White Logistics Movement^{*2} to collaborate more with logistics companies and enhance its supply chain. It will also add value to its entire supply chain by abolishing promissory notes to optimize payments to suppliers.

*1 Declaration on Partnership Building: The Council on Promoting Partnership

Building for Cultivating the Future established this framework for building new partnerships. This entity's members include the Cabinet Office and the Small and Medium Enterprise Agency. A company as the ordering party, declares to build a new partnership, by the name of the representative of the company.

* 2 White Logistics Movement is a movement that Japan's Ministry of Land, Infrastructure, Transport and Tourism, Ministry of Economy, Trade and Industry, and Ministry of Agriculture, Forestry and Fisheries launched to improve logistics working environments, with a company as the owner of goods voluntarily committing to action plans, by the name of the representative of the company.

Please visit the UBE Group's website for more information on the Declaration on Partnership Building.

<https://www.ube.com/ube/en/sustainability/society/procurement/>

Sustainable procurement

The UBE Group has committed to sustainable procurement from business partners and elsewhere across the supply chain to enhance social credibility. We prioritize suppliers that fulfill our six assessment criteria. These are establishing internal structures, ensuring stable supply and emphasizing quality, engaging in fair transactions, being environmentally friendly, respecting human rights, safety, and health, and practicing information management and disclosure. We also request that suppliers comply with the UBE Group Sustainable Procurement Guidelines.

For more information on sustainable procurement, see the UBE Group Sustainable Procurement Guidelines on the UBE Group's website.

<https://www.ube.com/ube/en/sustainability/society/procurement/>

Supply chain risk management

UBE manages risks based on Companywide rules, defines those related to supply chain as management risks and deals with special care. We emphasize raw materials procurement risks associated with emerging geopolitical threats and natural disasters, as well as earnings impacts from sudden raw materials market fluctuations. We integrate these risks in routine procurement.

Business partner survey regarding sustainability

We began conducting business partner sustainability surveys in 2012. The surveys aim to assess progress of business partners on sustainability and request improvements where necessary. We send feedback reports on the survey results to partners that were

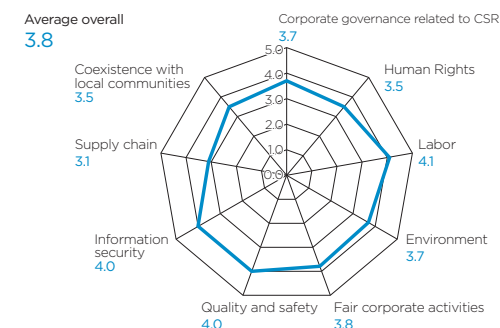
surveyed and interview partners whose results are below a satisfactory level to help them improve.

In fiscal 2024, we conducted the fifth Business Partner Survey Regarding Sustainability. We received responses on nine items (a total of 114 questions) from 242 suppliers accounting for above 90% of the purchase value of materials, construction work, raw materials, fuels, and packaging materials. The average score overall was 3.8 points out of 5, indicating reasonable levels of initiatives and measures by suppliers.

Please visit the UBE Group's website for more information on the results of the fifth survey of business partners on sustainability in fiscal 2024.

<https://www.ube.com/ube/en/sustainability/society/procurement/>

Results from the fifth survey (radar chart for each item)



Policy on conflict minerals

We fulfill our corporate social responsibilities, including safeguarding human rights and the environment, by addressing the issue of conflict minerals. These minerals are illegally exploited and mined under the control of armed groups in the Democratic Republic of the Congo and surrounding regions. Negative outcomes include human rights abuses, environmental destruction, and money laundering. We consider the responsible procurement of raw materials a key corporate duty. If we identify conflict minerals in our supply chain, we immediately halt their procurement. As well as screening prospective raw materials purchases, we conduct regular surveys to ensure that we do not procure conflict minerals.