

Shibaura Electronics Group Sustainability Basic Philosophy

In accordance with the Shibaura Electronics Group's (hereinafter, the "Shibaura Group") corporate mission "to protect the global environment, contribute to the improvement of life, and promote the culture and happiness of people around the world," the Shibaura Group contributes to the realization of a sustainable society by creating economic value through provision of the thermistors that are the group's mainstay products and by engaging in business that emphasizes social values such as actively responding to the needs of various stakeholders.

In order to actively respond to issues surrounding sustainability, the Shibaura Group has established the Sustainability Committee as a body under the Board of Directors to study and promote company-wide initiatives on sustainability.

1. Contribution to a sustainable society through business

- The thermistors that the Shibaura Group provides can manage and control thermal energy (carbon dioxide, greenhouse gases), and in a society in which demand for environmental protection and energy conservation is rising, their necessity is also rising.
- The Shibaura Group contributes to the achievement of a sustainable society by responding to customer needs through development of new products with proprietary technology and provision of high-quality, high-performance, highly safe products.

2. Lawful and sincere business activities

(1) Business integrity

- The Shibaura Group complies with laws, regulations, and internal rules, and acts sincerely with a strong sense of ethics.
- The Shibaura Group promotes dialog through two-way communication with employees, customers, business partners, local communities, shareholders, and other stakeholders.
- The Shibaura Group strives to improve management transparency and fairness, improve the effectiveness of the Board of Directors, and strengthen and perfect internal control systems.

(2) Elimination of improper benefits

- The Shibaura Group will never participate in bribery, embezzlement, illegal deals, money laundering, or any other corrupt practice.

(3) Response to antisocial forces

- The Shibaura Group completely rejects any relationship with antisocial forces and organizations that threaten the order and safety of international society and will not provide them with products or services or do other business with them.

(4) Import and export transactions

- The Shibaura Group does not export arms, weapons and other related technologies that threaten international peace and safety to countries and regions subject to restrictions. The Group also strictly manages exports of products to these countries and regions subject to restrictions so that they are not diverted to arms or weapons.
- The Shibaura Group shall follow relevant laws, regulations, and rules concerning the import and export of products and technologies.

3. Respect for human rights and improvement of the work environment

(1) Elimination of discrimination

- The Shibaura Group does not discriminate on the basis of race, nationality, gender, age, religion, creed, disability status, sexual orientation, gender identity, etc., respects the human rights of all people, and strives for a workplace free of discrimination or harassment.
- The Shibaura Group promotes gender equality and diversity and does not engage in unfair discriminatory treatment.

(2) Bonded labor and human trafficking

- The Shibaura Group permits absolutely no forced labor and bonded labor including child labor, as well as human trafficking. Furthermore, the Group will not purchase products produced with them.

(3) Work environment

- The Shibaura Group achieves workstyles that raise employees' abilities and respects their personalities, individuality, and diversity.
- The Shibaura Group strives to maintain a work environment that is safe, hygienic, and comfortable for employees, and works to boost motivation and morale through promotion of employee health management.

(4) Working conditions

- The Shibaura Group ensures appropriate working conditions for employees in accordance with laws and regulations.
- The Shibaura Group pays wages to employees in compliance with applicable laws and regulations, etc., concerning wages in each country.
- The Shibaura Group complies with laws and regulations of each country and region in respect to determination of employees' working hours (including overtime hours),

granting holidays and annual leave, etc.

- The Shibaura Group respects labor's basic rights, including freedom of association and the right to collective bargaining, in accordance with laws and regulations.

(5) Human resource development and recruitment

- The Shibaura Group's basic policy is to engage in fair recruitment activities. The Group does not discriminate in matters that are not relevant to the individual's ability and aptitude, such as nationality, gender, age, religion, race, etc., and provides opportunities to apply globally.
- The Shibaura Group actively fosters management and global human resources to adapt to changes in promoting sustainability management.

4. Achievement of a sustainable global environment

(1) Promotion of environmental conservation activities

- The Shibaura Group strives to promote environmental conservation activities through its business activities, based on awareness that global environmental problems are issues shared by all of humanity.
- The Shibaura Group follows laws and regulations concerning greenhouse gases, exhaust gases, chemical waste, etc., generated in the course of its business and, in addition to appropriately managing them, sets and implements voluntary goals for their reduction.
- The Shibaura Group periodically discloses the status of its initiatives on the environment.

(2) Responsible sourcing of raw materials

- In its purchasing of raw materials, parts, and equipment, the Shibaura Group pursues "green procurement," which aims to avoid or reduce use of toxic chemicals.

5. Community contribution

- The Shibaura Group contributes broadly to society through its business activities and at the same time respects the cultures and customs in each country and region, acting as a good corporate citizen and meeting the requirements and expectations of local communities.

Established on November 8, 2021

Revised on July 28, 2025

End