

## Human Capital Initiatives

ROHM's Basic Management Policy states that we will "search extensively for capable human resources and cultivate them as cornerstones for building long-term prosperity." Our Company's history, technologies, and assets accumulated since our foundation are important assets for the Company, and it is undeniably our human resources that have cultivated these assets. That is why ROHM aims to achieve cyclical growth for the Company and its employees by focusing on human resource development that invests in the growth of each individual with determination, and by providing a stage where a wide range of talented human resources can play an active role.

Human Capital Management <https://www.rohm.com/sustainability/human-capital>

Material issues	<b>Strengthening Employee Engagement</b>	<b>Diversity Development</b>	<b>Ensuring the Health and Safety of Employees</b>
	<ul style="list-style-type: none"> <li>Foster a corporate culture that creates challenges</li> <li>Enhancement of job satisfaction</li> <li>Improve employee engagement scores</li> </ul>	<ul style="list-style-type: none"> <li>Promote women's active participation</li> <li>Global capacity development and personnel allocation</li> </ul>	<ul style="list-style-type: none"> <li>Securing a safe workplace</li> <li>Promotion of health management</li> </ul>
▶ FY2022 results and KPIs P24			

### Human Capital Management Initiatives

In order to become a major global player, ROHM's vision for 2030, as stated in our Medium-Term Management Plan, we place emphasis on our connections with human resources, especially in terms of human resource development and diversity. As global competition in the semiconductor business

intensifies, it is necessary to develop human resources who can respond quickly and flexibly to changing world demands in order to develop products that are chosen by customers. To this end, we have established a system to promote employees' autonomous career and skills development.

#### Specialist System

In order to develop products that are chosen by customers on the global marketplace, it is necessary to enhance the capabilities of individual engineers. To enable highly specialized human resources who support ROHM's sustainable growth to fully demonstrate their abilities, we have drastically revised our career system and established the Specialist System in FY2019. This system recognizes employees, regardless of whether they have subordinates or not,

who contribute to the Company with their highly specialized skills as "Specialist workers" and clarifies their career paths as leading experts in their fields. With this system, we are systematically developing highly specialized human resources with the aim of passing on technology and expertise, fostering future generations, and enhancing corporate value through innovation.

#### Job posting

Launched in FY2022, the Job posting system (internal recruitment system) provides opportunities for employees to transfer to a new position of their own free will. As of March 2023, nine employees have already started working in the division of their choice using this system. By having each employee proactively and continuously address his or her

own career development and having the Company support them, we are revitalizing career development and increasing the internal mobility of human resources. Through this system, we will be able to respond quickly to rapid changes in the business environment and secure the human resources needed for our key businesses.

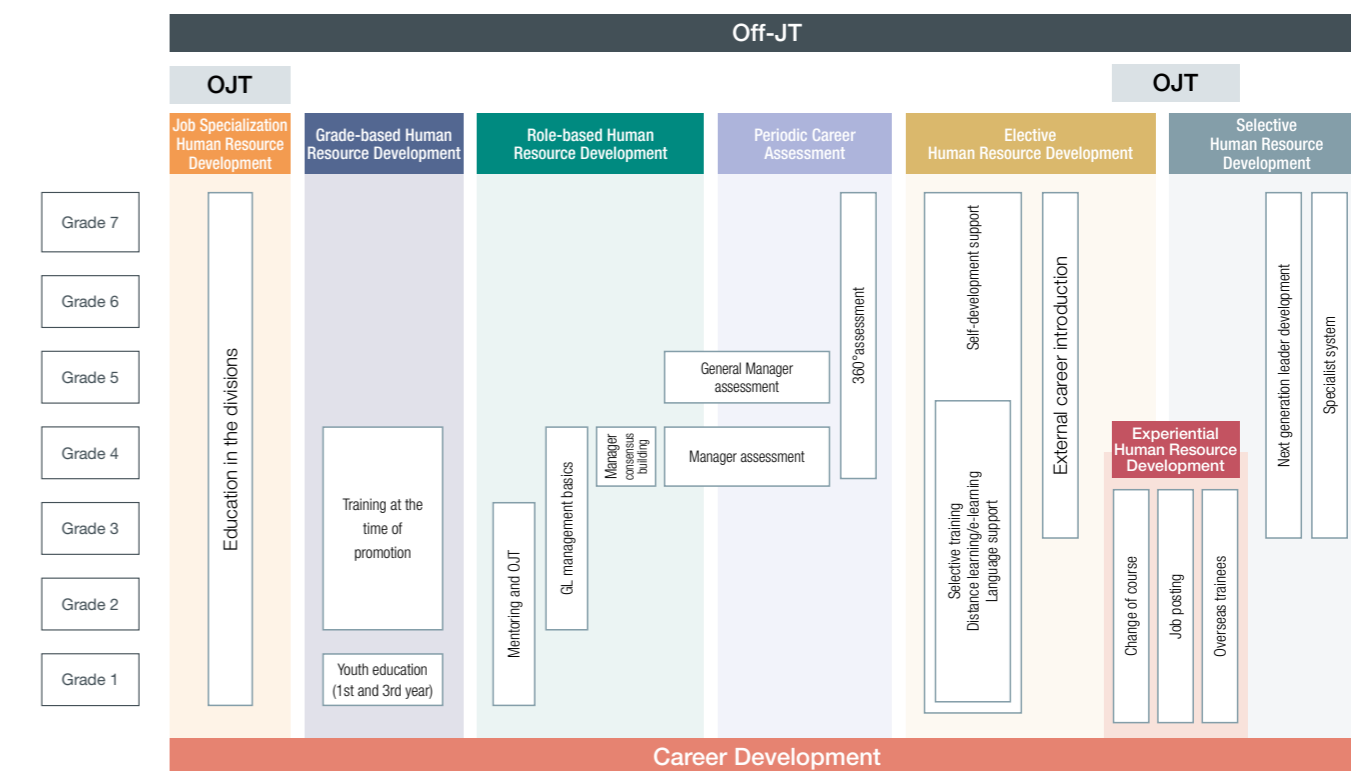
#### Human resource development system

ROHM defines the human resources that should be developed via educational training in Basic Goals for Education and Training and Basic Policy for Education and Training, included in the Company Mission and Policies, which has been ROHM's corporate philosophy since it was founded. In accordance with the Basic Goals for Education and Training, we are working to establish and operate an education and training system at the Group level and to systematically develop human

resources who will be responsible for the next generation of management, as described in the chart on the right.

In addition to the training that all employees take at each level in the Company, we have established Selective Human Resource Development that enables employees to learn the knowledge and skills necessary for their careers at the time they need them, providing opportunities for learning according to the challenges and careers of each employee.

### Human capital development system



Human Resource Development Structure	Objective
1. Career Development	Learn the mindset, knowledge, and skills to think about and design one's career and involve others in its realization.
2. Job Specialization Human Resource Development	Learn the specialized knowledge and skills needed to perform one's job.
3. Grade-based Human Resource Development	Learn the minimum required knowledge and skills as a ROHM human resource, as well as the thinking skills that form the foundation for capacity development.
4. Role-based Human Resource Development	Learn the knowledge and skills required for the development and management of subordinates and junior staff, and organizational development.
5. Periodic Career Assessment	Reflect on oneself with objectivity and deep introspection, leading to self-improvement.
6. Elective Human Resource Development	Learn the knowledge and skills necessary for one's career on one's own, when they are needed.
7. Selective Human Resource Development	A system for discovering, selecting, and systematically developing human resources who will support the Company's management and technology.
8. Experiential Human Resource Development	Gain the experience opportunities one needs for one's career.

### Enhancing Employee Engagement

#### Conducting engagement surveys

ROHM aims to increase the number of employees who understand and appreciate the Company's vision, and who can voluntarily demonstrate their abilities toward achieving it. Since FY2021, the Group has been conducting engagement surveys to measure the level of understanding, appreciation, and motivation of employees in these areas, setting the Employee Engagement Score as a non-financial KPI.

We will continue to use the Engagement Survey to understand the gap between the ideal state of the organization and the current situation and issues, and to implement effective measures to improve engagement to create a stage where excellent human resources can play an active role with vigor.

FY2021 Engagement Survey Response Results (ROHM Co., Ltd.)

Fiscal year	Number surveyed	Number of respondents	Response rate	Score
FY2021	3,625	3,606	99.0%	76.0%

FY2022 Engagement Survey Response Results (32 Worldwide Group Companies (excluding ROHM Co., Ltd.))

Fiscal year	Number surveyed	Number of respondents	Response rate	Score
FY2022	19,761	17,743	90.0%	91.0%

\* The score represents the percentage of employees who responded favorably to the question regarding "high willingness to contribute toward achieving goals and a strong sense of belonging to the organization."

\* ROHM manages engagement scores through the Willis Towers Watson (WTW) employee engagement survey.

## Human Capital Initiatives

### Creating a Good Workplace

We have introduced various systems to enable each employee to work flexibly according to his/her own lifestyle and life stage. In addition to providing childcare and nursing care leave, we also focus on creating an environment where employees can continue to work with peace of mind through telecommuting and work-location change systems.

Additionally, in order to improve employee engagement, it

### Conducting roundtable discussions with the President

As one of our initiatives to improve employee engagement, we have been holding roundtable discussions involving employees and the President since FY2021. A total of 27 discussions were held from November 2022 to June 2023, with 205 participants. In addition, as a new initiative to deepen understanding of dialogue and promote its practice

### Promoting Diversity

ROHM has manufacturing sites and sales offices around the world, and we have employees of many different nationalities. We believe that bringing together employees with diverse backgrounds to work as a team will lead to corporate innovation, and furthermore contribute to solving social issues and increasing corporate value. Therefore, at ROHM,

### Women's active participation

ROHM has identified "diversity development" as an important management issue for sustainable growth, and its Medium-Term Management Plan and its achievement targets include promotion of women's career development and appointment of women and non-Japanese to management positions. The active participation of women is not only expected to lead to the securing of excellent human resources, but also to various effects such as "improved results" by understanding and solving problems from a different perspective than men, "improved career development image" for young female employees through the presence of role models, and "reform of corporate culture" by creating a corporate climate in which one can play an active role regardless of gender.

In May 2021, we set the target of increasing the ratio of female managers in the entire ROHM Group to at least 15% and increasing the ratio of female or non-Japanese executives at ROHM Co., Ltd. to at least 10% by FY2025. We will continue to enhance training opportunities, revise existing systems, and introduce new systems to achieve these targets.

is essential that employees are healthy both physically and mentally and that they can work with peace of mind. To ensure that physical and mental health is not compromised in all workplace environments, in addition to preventing harassment and other forms of abuse, we will proactively invest in the health of our employees to ensure the health of each individual, thereby revitalizing the organization.

in the workplace, dialogue workshops for managers were held a total of 29 times, with 344 participants. We will continue to foster a corporate culture that enables sustainable growth by providing opportunities for direct dialogue between employees and management, helping to encourage dialogue in every workplace.

we focus on the following five fields for promoting diversity and inclusion. In particular, we believe that incorporating diverse ideas, rather than relying on homogeneity in decision-making, is necessary to enhance our competitive advantage.



### Active participation of senior employees

Creating an environment in which competent senior employees who want to work can actively participate is extremely important from the perspective of securing labor capacity. Assets such as the experience, skills, and internal and external human networks that seniors have cultivated over their

long careers are precious assets for ROHM. By creating an environment in which senior employees can play an even more active role in the future, we will work to strengthen our organizational structure so that they can continue to produce significant output.

### Active participation of people with disabilities

In promoting diversity and inclusion, we are also proactively hiring people with disabilities and promoting their participation in society with the aim of creating a working environment where employees with disabilities can play an active role. As of March 2023, our employment rate for people with disabilities

was 2.29% (statutory employment rate: 2.30%) for the entire Group due to strong demand for semiconductors, mainly in the automobile-related market, and an increase in the number of employees overall in order to handle the supply.

## Ensuring the Health and Safety of Employees

### Ensuring a safe workplace

The ROHM head office conducts comprehensive health and safety audits with the aim of strengthening the operation status of the safety and health management system and reducing risks. By checking manufacturing sites through the eyes of a third party, we prevent the omission of risk identification

and bias at the safety management level. In FY2022, safety audits were conducted at a total of eight domestic and overseas manufacturing sites (remote audits for overseas sites), and we are systematically correcting and confirming the risks and issues identified.

- Regularly conduct safety and health patrols, industrial physician patrols, and site manager patrols.
- Conduct fire extinguisher drills, earthquake evacuation drills, and night evacuation drills for chemical and gas leaks.
- Implement KYT (Japanese: "kiken yochi training," or hazard prediction training), small group activities, 5S activities, and proposal activities.
- Conduct chemical handling workshops (courses available on-site and online).


Additionally, in order to promote improvement activities, we have established an award system to award subcontractors for outstanding activities.

Employee Column
▶▶ Expectations for expansion of professional development programs for overseas employees

Currently, I am Assistant General Manager of the Euro-American Sales Division at ROHM Semiconductor Singapore and responsible for the sales growth for non-Japanese customers. As I like communication and the challenge of negotiation, I was looking for a sales job when ROHM came along.

ROHM's definition of quality is not only focused on products, but also on the quality of employees and services to customers. Therefore, improvement of quality is emphasized throughout our operations, such as ensuring a stable supply chain and making efforts to minimize environmental impacts. I feel that the Company values employees and fosters a culture of respect towards diversity, emphasizes teamwork and provides opportunities for personal growth. The Company also encourages employees to have a good work life balance, and flexible working hours were implemented so that employees can balance work and family. This support system enables working mothers to continue working and participating actively in society. Personally, I think it is wonderful that ROHM is promoting diversity and targeting an increase in the global female manager ratio.

I believe that ROHM's head office places a strong emphasis on continuous improvement and innovation and commits to ongoing learning and professional development for employees. Thus, I expect the Company to extend the same emphasis and commitment to professional development to overseas employees. I hope that the Company will become a major global player through continued focus on human resources and enhancement of the value and motivation of such resources.



**Kelly Ang**  
ROHM Semiconductor Singapore  
Euro-American Sales Division  
Assistant General Manager



## Discussion: Human Capital Initiatives



Human capital strategy to support the sustained growth of ROHM

**Tetsuo Tateishi**  
Member of the Board,  
Senior Corporate Officer, CTO

**Fukuko Inoue**  
Newly Appointed Member of  
the Board (Outside)

### Our efforts for securing and developing the ideal human capital for achieving our goal of becoming a major global player by 2030

**Tateishi** In order to become a major global player, I believe it is important that we foster a culture and environment that enables global talent to naturally develop. ROHM is trying to become ONE ROHM together with our many overseas affiliates. This means that we must create an environment where our sales organizations in Japan and overseas can conduct work on an equal basis as members of the same team and FAEs\* in Japan can cooperate with developers and technicians overseas as part of the same team. I also hope that we can continue efforts for sending human capital back and forth between Japan and overseas affiliates, so that we can cultivate global talent that is unbound by regional borders.

**Inoue** I have been involved in personnel affairs for a long time at foreign-owned companies and international institutions, and currently teach subjects such as human resource management, leadership, and organizational management at university. Based on this perspective, I find it fantastic that ROHM declares to “search extensively for capable human resources and cultivate them as cornerstones for building long-term prosperity” in its Basic Management Policy. As mentioned by Mr. Tateishi, I believe it is extremely important to foster a culture and environment that enables global talent to develop, and think it is important that we continue with our current successful initiatives. I also think it is necessary to build a human capital portfolio based on our management strategy. Another thing that is important is to identify important and strategic positions for becoming a major global



We will foster an environment that enables human capital in Japan and overseas to cooperate with each other as ONE ROHM.

player and clarify where and when people with the required skills are needed and how many are needed, visualize where such human resources are to be found and match them with the right positions in Japan or overseas, and convey our ideal for global talent to all of our employees.

**Tateishi** The reason why an environment for cultivating human capital is important is because workers will leave a company if they do not feel happy there. To become a company that cultivates and retains global talent means that we must foster a corporate culture that tolerates different ways of thinking and different cultures. Furthermore, to be a global company means that our organizations in Japan must interact and cooperate with our organizations overseas in an appropriate manner. In our director discussions, we are currently considering personnel reshuffling to promote human resource development and job rotation to enable our young employees to actively gain experience working overseas.

**Inoue** I believe it is important that our employees feel satisfaction in their daily jobs at the Company. However, employee values are diversifying, and there is no one-size-fits-all approach to achieve job satisfaction. For example, if we compare Japan and other countries, many overseas companies have job-focused employment, where all employees generally focus on a particular field and aim to become highly-specialized human capital. If we are to become a major global player, we must cultivate specialization that enables us to compete with such highly-specialized human capital at other overseas companies in the same industry. I fear that we may not be able to compete by using the type of system often found at Japanese companies, which aims to cultivate generalist human capital via job rotation.

**Tateishi** I think that is certainly the case with generalists. However, even overseas companies have advanced

technical experts with a wide range of knowledge that play a role in linking specialists with other specialists. Having such generalists that can strengthen horizontal connections organically binds the organization and increases work efficiency. Because ROHM already has such human capital, I think that we can create a robust organization by increasing our numbers of highly-specialized technical human capital experts. To accelerate the development of such experts, we introduced a “specialist system” in FY2019. This system also promotes work style diversification by enabling employees to select their own career path from multiple options. By enabling them to make their own choices, we are aiming to achieve a workplace environment with better job satisfaction. If this system can increase the number of experts in the Company, then I believe that we will be able to achieve an organizational system that can immediately place specialized human capital in optimal positions when we recruit them from overseas or other companies.

It is important to have the management ability to bring together diverse human capital with highly-specialized knowledge.



**Inoue** As technology develops and the fields of engineers become more specialized, I believe that remaining at the forefront of those fields will become even more important. I hope that the specialist system of ROHM will enable us to cultivate highly-specialized human capital that can compete with human capital both in Japan and overseas. Also, since more importance is placed on one’s academic history overseas than in Japan and the acquisition of doctorates is seen as proof of someone being highly-specialized, I believe that ROHM must provide support for obtaining doctorates and promote the recruitment of human capital with doctorates.

\*Field Application Engineer. An engineer that provides technical support on products and applications to customers.

### Cultivating a corporate culture that encourages endeavors

**Tateishi** ROHM has never been a company that values conformity. Our management encourages employees to take on challenges to strengthen their specialization and provides support systems as a company. However, when compared to overseas human capital such as in China or India, I think that human capital in Japan is less enthusiastic and not as serious about specialization, for cultural reasons. When I talk with overseas employees, I am surprised by how highly conscious of their career they are. It seems like they are constantly thinking about how they can promote their own identities by strengthening their expertise.

**Inoue** I agree that overseas, there are many people who confidently assert their own opinion when it differs from those around them. This may be because they think they can make a different contribution to other people due to differences in experience and ways of thinking. Well, this is exactly what diversity is, but in order to successfully bring together such diverse opinions, we also need the power of inclusion, so that we can leverage their strengths and turn it into organizational capability. I believe that leaders who promote global management need the ability to bring together human capital with highly-specialized knowledge as a team, even if they do not personally have the same level of knowledge.

**Tateishi** One other thing I have realized is that innovation comes from discontinuous technologies. Revolutionary technologies are not simply an extension of conventional technologies, and are somehow disconnected. We need a culture that allows human capital with such technologies and

viewpoints to make failures. At the same time, we of course need human capital that will develop extensions to existing products based on conventional technologies, and I believe that we need a good balance of both when we consider our research and development.

**Inoue** I have high hopes for human capital that is open to as-yet-unencountered technologies and different cultures, and who can take an interest in such things and think about them creatively. As Mr. Tateishi said, I think we need to cultivate an attitude that recognizes that discontinuous technologies are required for innovation.

**Tateishi** Because of the culture in Japan that favors homogeneity, it may indeed be good to start from fostering the right attitude. To increase employee engagement, it is important to carefully explain the direction of the Company and gain understanding and empathy. If employees empathize with that direction, they will achieve self-realization by contributing to the growth of the Company, and I believe that recognizing those achievements and contributions will lead to better engagement.

**Inoue** I believe that we are placing importance on understanding and empathy, and recognizing their contribution, no matter where people work. If this can make our employees fond of ROHM and talk about how it is a good company, this will create synergy, and if this synergy propagates overseas, then I think we will truly become a major global player.

## Environmental Initiatives

At ROHM, we believe that corporate activities that seek to be in harmony with the natural environment, that is, a balance between economic activities and nature's regenerative and purifying capabilities, will lead to a sustainable society. This is why we are strengthening our efforts to address environmental issues through the effective use of resources, and reducing our impact on the environment through our production activities and eco-friendly products.

Environmental Management <https://www.rohm.com/sustainability/environment>

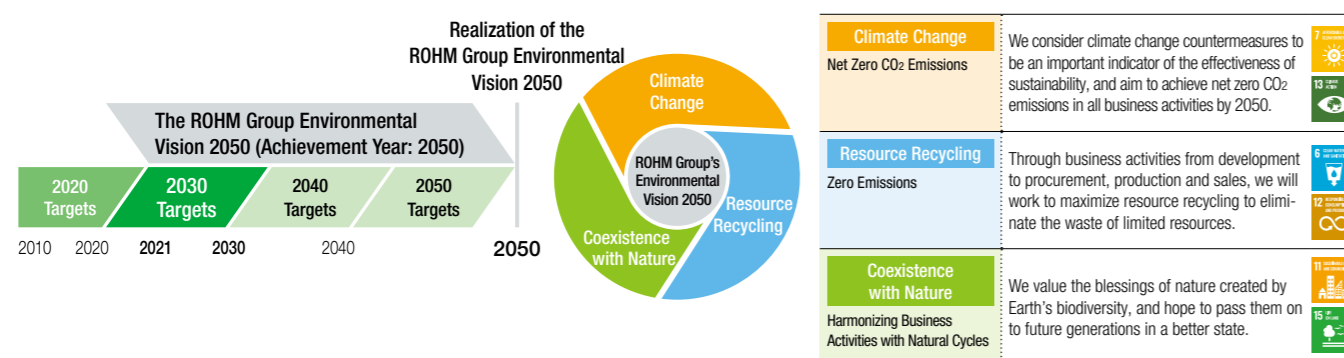
Sustainability Priority Issues	<b>Mitigation of Climate Change</b> <ul style="list-style-type: none"> <li>Reduction in GHG emission</li> <li>Reduction of energy consumption</li> <li>Promotion of introduction of renewable energy</li> </ul>	<b>Effective Use of Resources</b> <ul style="list-style-type: none"> <li>Water resource consumption reduction</li> <li>Reduction of waste</li> </ul>	<b>Strengthening Sustainable Technologies, Developing and Supplying Innovative Products</b> <ul style="list-style-type: none"> <li>Contribution by developing energy-saving products and supplying them to the market</li> <li>Contribution by developing and supplying miniaturized products</li> <li>Contribution by developing and supplying products pursuing functional safety</li> </ul>
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	FY2022 results	KPI
Mitigation of Climate Change	<ul style="list-style-type: none"> <li>Reduced GHG emissions by 21.8% vs. FY2018 levels</li> <li>Reduced GHG emissions per unit by 38.6% vs. FY2018 levels</li> <li>24% introduction of renewable energy completed</li> </ul>	<ul style="list-style-type: none"> <li>Reduce GHG emissions by 50.5% vs. FY2018 levels (FY2030 target)</li> <li>Reduce emissions per unit by 45% vs. FY2018 levels (FY2030 target)</li> <li>Promote the shift to renewable energy with the goal of 100% introduction (FY2050 target)</li> </ul>
Effective Use of Resources	<ul style="list-style-type: none"> <li>Increased water recovery and reuse rate by 1.2% vs. FY2019 levels</li> <li>Recycling rate of 98.5% for consolidated companies worldwide</li> </ul>	<ul style="list-style-type: none"> <li>Increase water recovery and reuse rate by 5.5% vs. FY2019 levels (FY2030 target)</li> <li>Zero recycling emissions for consolidated companies worldwide (FY2030 target)</li> </ul>

### The ROHM Group Environmental Vision 2050

Human economic activities are having a negative impact on the Earth, and problems such as climate change, resource depletion, and loss of biodiversity are becoming increasingly serious. In 2021, we presented the ROHM Group Environmental Vision 2050 to demonstrate our commitment to leave the global environment in a better state for future

generations. In this vision, we have identified climate change, resource recycling, and coexistence with nature as the three important themes to address, and we also formulated targets for FY2030 as an intermediate step as we work to resolve environmental issues toward achieving our FY2050 targets.



### Initiatives for Achieving FY2030 Medium-Term Environmental Targets

We are taking action to achieve targets such as the following four for FY2030.

#### Reducing GHG emissions by 50.5% (vs. FY2018)

In FY2022, we reduced GHG emissions (Scope 1 and 2) by 21.8% from FY2018 levels to 8,921 t-CO<sub>2</sub>. In addition to reducing annual CO<sub>2</sub> emissions by 549 t-CO<sub>2</sub> by upgrading

to highly efficient chillers at our plant in Thailand, we have not only reduced the amount of heavy oil used, but also reduced annual CO<sub>2</sub> emissions by 326 t-CO<sub>2</sub> by upgrading to highly efficient once-through boilers at the LAPIS Semiconductor Co., Ltd. Miyazaki Plant (hereinafter "LAPIS Miyazaki").

#### Moves toward 100% renewable energy by FY2050

Specific plans for the introduction of renewable energy through FY2030 have been formulated, and we are executing these plans in phases. In FY2022, 100% of power used at our mainstay Thailand Plant came from renewable energy, increasing the ratio of renewable energy to all electricity used in the Group by 18 percentage points from FY2021 to 24%. From FY2023, we plan to use 100% renewable energy at our Philippines Plant, aiming for a renewable energy ratio of 43% (19 percentage points increase compared to FY2022).

#### Zero waste emissions

In FY2022, we maintained zero emissions on a domestic consolidated basis by promoting the effective use of sulfuric acid waste liquid, achieving a recycling rate of 95.9% on an overseas consolidated basis (domestic and overseas consolidated: 98.5%).

	FY2022 results	KPI
Strengthening Sustainable Technologies, Developing and Supplying Innovative Products	Net sales: 507.8 billion yen	Achieve net sales of more than ¥600 billion as the total amount of social contribution (FY2025 target)

### Developing Eco-friendly Products: Battery Monitoring IC for Lithium-ion Batteries

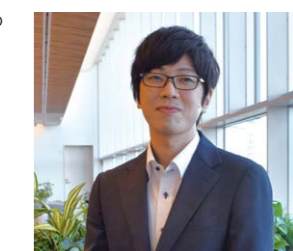
In recent years, lithium-ion batteries have become essential for saving energy and miniaturizing a range of products, including mobile devices, power tools, and cordless vacuum cleaners. In order to achieve carbon neutrality, they are rapidly becoming popular in high-capacity applications such as power storage devices and electromobility. However, to maintain safety and prevent performance degradation, lithium-ion batteries must be used by monitoring the voltage, current, and temperature to prevent overcharging and over-discharging. This is where a battery monitoring IC comes into play. LAPIS Technology Co., Ltd. (hereinafter "LAPIS

Technology") has been developing battery monitoring ICs since 2008. LAPIS Technology's battery monitoring IC features the use of high-voltage elements to measure many stacked battery cells, and uses LAPIS Miyazaki's high-voltage process. LAPIS Technology has developed the best battery monitoring ICs for customer applications, including a 16-cell battery monitoring IC and the industry's first mass-produced battery monitoring IC with built-in high-side NMOS-FET drivers that do not require insulating components for communication with battery monitoring ICs.

#### Challenges for the Future ▶▶ Development to further improve safety of lithium-ion batteries

In a world aiming to become carbon neutral, the battery market is expected to further expand with the growing need to reuse batteries. As such, the demands on the safety of lithium-ion battery monitoring ICs are increasing more than ever. To maximize the performance of lithium-ion batteries, we have received requests from customers for lower current consumption, highly accurate battery level measurement, and enhanced safeguards. To measure remaining battery levels with even higher accuracy and lower cost, we are currently developing a battery monitoring IC that combines the design technology cultivated through LAPIS Miyazaki's high-voltage process with that of ROHM Hamamatsu, which has a wide range of high-performance high-voltage elements. We also hold regular technical exchange meetings with our customers, offering technical proposals to solve their problems. Recently, we have been evaluating the validity of battery deterioration measurement methods. As such, we have proposed a method for predicting battery deterioration that incorporates ROHM's new technology, and we are now looking at its implementation while taking into account feedback from customers. Moreover, in addition to improving the functionality of our products, LAPIS Technology has been promoting the acquisition of functional safety engineer certification for our technicians for several years.

Through these efforts, we will expand our battery monitoring IC product lineup and improve functionality, contributing to further improvements in the safety of lithium-ion batteries.



**Hiroyuki Kikuta**  
 Group Leader,  
 Battery Monitoring LSI Development Group,  
 ASSP Development Team,  
 LSI Business Unit,  
 LAPIS Technology Co. Ltd.



# Climate Change-Related Disclosure in Accordance with the TCFD Recommendations

ROHM endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in September 2021. In order to achieve the goals of the ROHM Group Environmental Vision 2050, ROHM will promote efforts to reduce its environmental impact and focus on more transparent information disclosure, including the resilience of its strategies based on climate-related scenario analysis.

Disclosure Based on the TCFD Framework [https://www.rohm.com/sustainability/environment/climate\\_change\\_measures](https://www.rohm.com/sustainability/environment/climate_change_measures)

## Governance

In April 2021, we established the ROHM Group Environmental Vision 2050 to fulfill our corporate social responsibility for global environmental issues. In addition, the Medium-Term Management Plan Moving Forward to 2025 announced in May 2021 identifies “addressing climate change” as one of the material issues that ROHM should address.

ROHM has established a system in which the President and Representative Director has the highest responsibility and authority for climate change issues, and the EHSS General Committee\*, chaired by the director in charge of sustainability appointed by the President and Representative Director, deliberates and makes decisions with regard to addressing climate change issues. Under the EHSS, eight management systems have been established, one of which is the Environmental Conservation Committee, chaired by a business unit manager and which is in charge of environmental management systems and proactively addressing climate change. The committee formulates our 2030 medium-term environmental targets and deliberates on the progress of environmental management toward achieving these targets,

as well as issues related to measures to address climate change, including the introduction of renewable energy. Directors who are members of the Audit and Supervisory Committee attend the EHSS General Committee and the monthly meetings of the Environmental Conservation Committee to continuously monitor and verify the execution status of overall environmental management, led by the President (Representative Director).

In addition, in order to further promote value sharing with our shareholders, we have adopted GHG emissions as one of the performance indicators in our performance-linked transfer-restricted stock-based remuneration system for directors.

Promotional system <https://www.rohm.com/sustainability/environment>

\* EHSS (Environment, Health and Safety, Sustainability) General Committee: A committee composed of executive officers in charge of eight subordinate management systems (environment, health and safety, labor, ethics, information, supply chain, quality, and risk management BCM) and responsible for ensuring that the PDCA cycle for each system is properly implemented.

## Strategy (Scenario Analysis)

ROHM is accelerating climate change countermeasures, such as improving the efficiency of semiconductor products and building an environmentally conscious business structure based on the ROHM Group Environmental Vision 2050. In order to do this, we have analyzed the impact of climate change on business activities in all sectors, including automotive, industrial, and consumer applications by referring to scenarios published by the International Energy Agency (IEA) and the UN Intergovernmental Panel on Climate Change (IPCC), among others. Specifically, we analyzed the impact of climate change in 2050 on the ROHM Group’s stakeholders (governments, financial institutions,

investors, suppliers, customers, and new technologies) and the value chain (corporate, R&D, procurement, manufacturing, and sales) related to its business activities. This analysis was conducted for the 1.5°C/2°C scenario, in which society as a whole succeeds in transformation toward decarbonization and controlling the global temperature rise, and for the 4°C scenario, in which economic development takes priority and the global temperature rises and its effects continue to worsen. (See P65 for more details)

Reference information for our scenario analysis is provided below.

	Scenario	Reference
Transition risks Opportunities	1.5°C/2°C scenario	Sustainable Development Scenario (SDS)*1 Net Zero Emissions by 2050 Scenario (NZE)*1
	4°C scenario	Stated Policies Scenario (STEPS)*1
Physical risks	1.5°C/2°C/4°C scenario	Representative Concentration Pathways (RCP)*2 Shared Socioeconomic Pathways (SSP1/5)*2

\*1. Source: IEA “World Energy Outlook (WEO) 2021”

\*2. Source: IPCC “Fifth Assessment Report”

## Financial Impact of Risks and Opportunities

Classification	Event	Severity*1	Occurrence*2	Financial impact on business activities			Measures	
				Impact item	1.5/2°C impact*3	4°C impact*3		
Transition risks	Policy and regulations	Increase in costs due to introduction of carbon pricing	High	Mid- to long-term	Costs	Med	Med	<ul style="list-style-type: none"> <li>Continue to expand installation of PFC abatement equipment</li> <li>Continue energy-saving/high-efficiency activities for ancillary facilities at plants</li> <li>Install solar power generation systems (Malaysia)</li> <li>Convert 100% of electricity used at domestic and overseas production sites to renewable energy</li> <li>Expand the scope of all electrification at production sites</li> <li>Stably procure materials by reviewing contracts</li> <li>Continue updating and upgrading of disclosure content through dialogues with shareholders</li> <li>Continue response to CDP surveys</li> </ul>
		Increase in costs due to energy conservation and GHG emissions reduction initiatives	High	Short- to mid-term	Costs	Low	—	
	Technologies	Increase in R&D costs to maintain and improve market competitiveness	Low	Short- to mid-term	Costs	Med	—	
		Increase in capital investment costs due to increase in production volume and transition of production facilities	Low	Short- to mid-term	Costs	Low	—	
	Markets	Decrease in sales due to changes in customer demand	Med	Short- to mid-term	Sales	Med	—	
		Decrease in demand due to social changes associated with climate change	Low	Short- to mid-term	Sales	—	—	
		Increase in electricity costs due to higher electricity demand in society as a whole	Med	Short- to mid-term	Costs	Med	—	
		Increase in material procurement costs due to a shortage of resources including rare metals	Med	Short- to mid-term	Costs	Med	Low	
	Reputation	Loss of customer reputation due to inadequate response to climate change	Low	Short- to mid-term	Costs	—	—	
	Physical risks	Acute	Damage to production facilities or production stagnation due to severe wind and flood damage	Med	Mid- to long-term	Sales	Low	
Stagnation of raw material procurement due to supply chain damage			Med	Short- to mid-term	Sales	Med	Med	
		Increase in costs to strengthen measures against natural disasters	Low	Short- to mid-term	Costs	—	Med	
Chronic		Increase in energy costs due to rising temperatures	Low	Mid- to long-term	Costs	Low	Low	
Opportunities	Products and services	Increase in demand for products that help customers save energy and reduce GHG	High	Short- to mid-term	Sales	High	—	<ul style="list-style-type: none"> <li>Secure human resources with expertise in semiconductors</li> <li>Utilize LCA and other scientific methods and various calculation tools</li> <li>Appeal miniaturization and other advantages</li> <li>Strengthen sales of SiC-related products for EV market</li> </ul>
	Markets	Increase in revenues from entering new markets	Med	Mid- to long-term	Sales	—	—	
		Increase in demand for products due to extreme weather and other environmental changes	Med	Mid- to long-term	Sales	—	Low	
		Increase in revenues from gaining reputation among customers and investors	High	Short- to mid-term	Costs	—	—	
	Resource efficiency	Decrease in costs by promoting energy conservation	High	Short- to mid-term	Costs	—	—	
	Energy sources	Save costs by achieving GHG emission reductions and earning profits from the sale of carbon credits	Low	Mid- to long-term	Sales	—	—	
Robustness	Maintain and increase sales volume by strengthening resilience	Low	Mid- to long-term	Sales	—	Med		

\*1 Severity: The degree of “high,” “medium,” or “low” is evaluated by considering the “likelihood of occurrence” and “degree of impact” of climate-related risks and opportunities.

\*2 Occurrence: “Short-term” is expected to occur between 2022 and 2025, “Medium-term” between 2026 and 2030, and “Long-term” between 2031 and 2050.

\*3 Impact: “Small” indicates a financial impact of 1 billion yen or less, “medium” indicates a financial impact of more than 1 billion yen but less than 10 billion yen, and “large” indicates a financial impact of more than 10 billion yen. The impact of risks and opportunities that are difficult to estimate are qualitatively evaluated and shown as “-”.

## Climate Change-Related Disclosure in Accordance with the TCFD Recommendations

ROHM will take various measures to strengthen its management in light of the identified risks and opportunities and their impacts. Specifically, in order to mitigate risks, ROHM will continue its efforts to reduce GHG emissions throughout the entire value chain, including suppliers, and will also

strengthen its business continuity plan (BCP) measures. Additionally, in order to maximize the opportunities identified, we will strengthen R&D and sales of products that contribute to decarbonization, such as components for electric vehicles, and do the same for air-conditioning products.

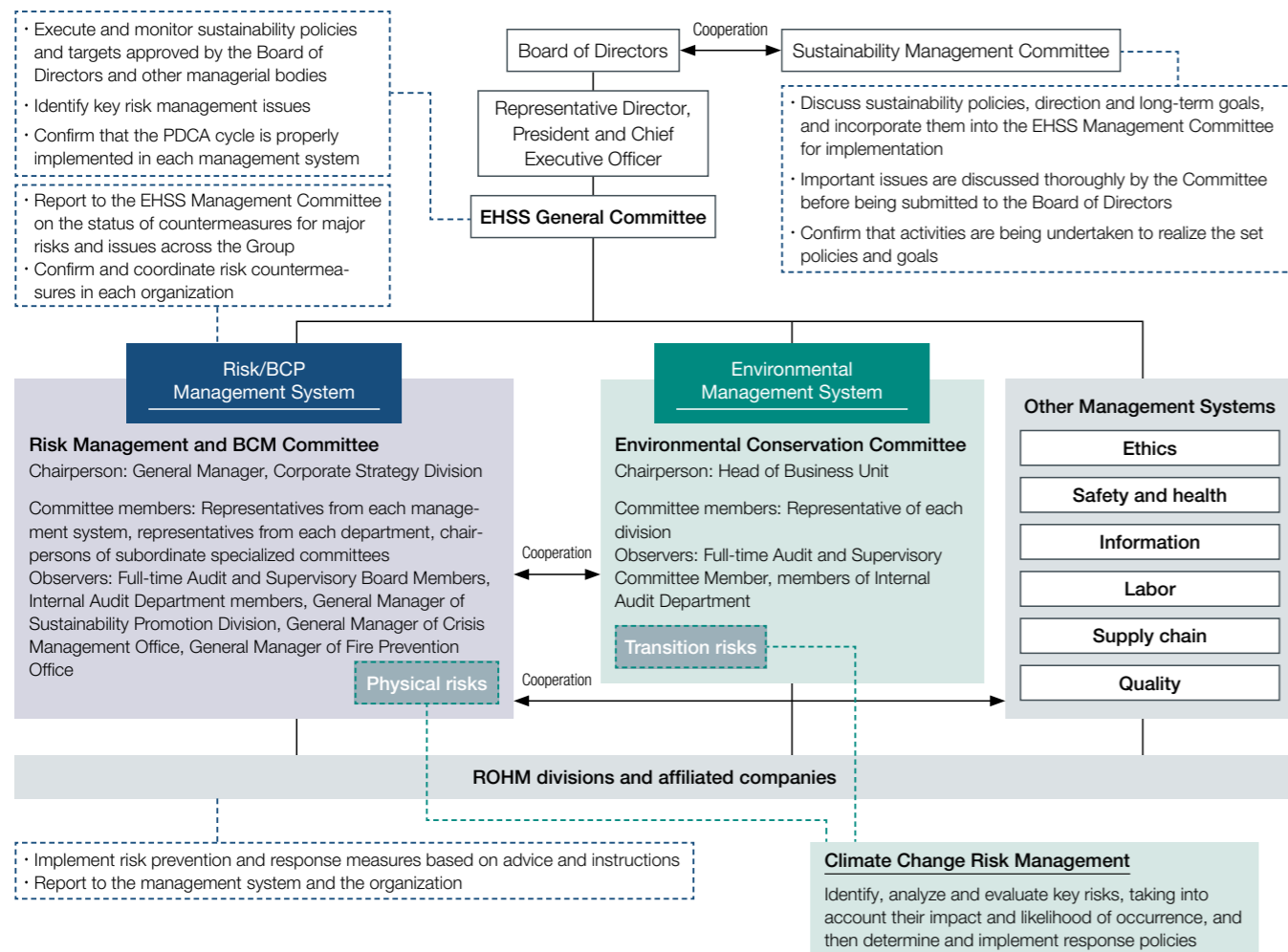
### Risk Management

ROHM oversees and manages all significant risks related to business continuity in the Risk Management and BCP Management System under the EHSS General Committee. Among these risks, "climate change" was identified as a significant risk, and in FY2021, we launched a project involving the entirety of ROHM Co., Ltd., and the Group to identify and analyze risks in multiple scenarios in accordance with the TCFD framework. In our risk management structure, the risk of "climate change" is broken down into physical and transition risks, with the former governed by our risk management and business continuity management system, and the latter governed by our Environmental Management System. The Risk Management

and BCM Committee as well as the Environmental Conservation Committee, cross-divisional organizations with participation of all company divisions, including business units, identify critical risks by considering their impact and likelihood of occurrence. Based on analysis and assessment of each risk, they determine and implement response policies.

In addition, both committees oversee the risk management system and report to the EHSS General Committee, which is composed of those responsible for each management system. These committees also formulate BCPs to handle potential risk emergence and ensure that all Group companies are aware of the plans.

### Risk Management Structure



### Indicators and Targets

ROHM is promoting environmental management in Japan and overseas based on the ROHM Group Environmental Vision 2050 formulated in April 2021, aiming to achieve net zero GHG emissions and zero emissions by FY2050. In our Medium-Term Management Plan "Moving Forward to 2025," we presented a plan which calls for 100% of electricity used in all business activities in Japan and overseas to be derived from renewable energy sources by FY2050.

Based on this Medium-Term Management Plan, we are now gradually increasing the amount of renewable energy we use, and by FY2030, we aim for a 65% introduction of renewable energy in our business activities, and by FY2050, we aim to achieve a 100% introduction.

Environmental targets for 2030 have been established for each of the three priority issues of "Climate Change," "Resource Recycling," and "Coexistence with Nature," as stated in the ROHM Group Environmental Vision 2050.

For climate change, we have set the following targets: reducing GHG emissions from business activities (Scope 1 and 2) by at least 50.5% in FY2030 compared to FY2018,

reducing GHG emissions per unit of production (Scope 1 and 2) by at least 45%, and reducing emissions from the use of products sold (Scope 3, Category 11) by at least 15% in FY2030 compared to FY2018.

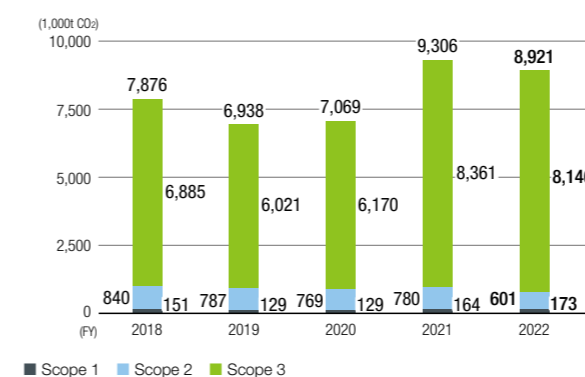
These targets were recognized as having a scientific basis (1.5°C level) for achieving the 2°C target of the Paris Agreement, and in February 2022, ROHM received certification from the Science Based Targets Initiative (SBTi).

In addition, in April 2022, we joined RE100, an international corporate initiative that aims for 100% renewable energy for electricity used in business operations.

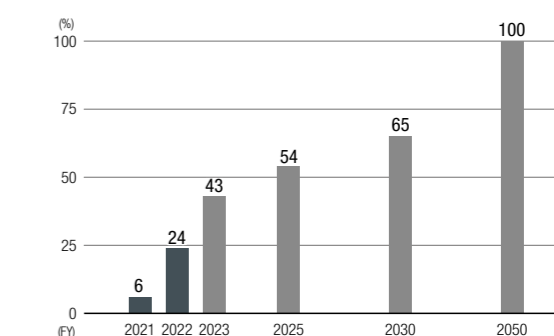
In addition to climate change, we are also working to promote resource recycling by improving our water recovery rate and setting targets related to waste emissions per unit of production.



CO<sub>2</sub> Emissions



Approach to 100% Renewable Energy



### Achievements and Plans for Renewable Energy Installations

Introduction Results	Implementation Plan	
	FY2023-2026	FY2027-2030
<ul style="list-style-type: none"> <li>ROHM Apollo Co., Ltd. Chikugo Plant</li> <li>SiCrystal GmbH</li> <li>Yokohama Technology Center</li> <li>Kyoto Technology Center (Kyoto Station)</li> <li>Part of ROHM Hamamatsu Co., Ltd.</li> <li>ROHM Integrated Systems (Thailand) Co., Ltd. (Thailand Plant)</li> </ul>	<ul style="list-style-type: none"> <li>ROHM Apollo Co., Ltd. (Yukuhashi Plant)</li> <li>ROHM Apollo Co., Ltd. (Nagahama Plant)</li> <li>Part of ROHM Wako Co., LTD.</li> <li>Part of ROHM head office</li> </ul>	<ul style="list-style-type: none"> <li>ROHM Electronics Philippines, Inc. (Philippines Plant)</li> <li>ROHM Mechatech Philippines, Inc. (Philippines Plant)</li> <li>ROHM-Wako Electronics (Malaysia) Sdn. Bhd. (Part of Malaysia Plant)</li> </ul>
		Scheduled to be introduced gradually at the remaining overseas and domestic production bases.

# Supply Chain Initiatives

In order to realize ROHM's corporate mission of "quality first" amid the rapidly changing business environment and the variety of business risks, it is important to ensure stable quality and supply systems at the procurement stage of raw materials and to build cooperative relationships with reliable suppliers. ROHM strives to maintain and strengthen its supply chain through the selection of appropriate suppliers and CSR procurement.

Supply chain management <https://www.rohm.com/sustainability/supply-chain>

Material issues

**Sustainable Supply Chain Management**

· Strengthening BCM system
· Promotion of green procurement
· Promotion of CSR procurement activities

▶ P24 FY2022 results and KPIs

## Promotion Structure

ROHM operates its own supply chain management system to ensure that it builds a sustainable supply chain. This system is established under the EHSS General Committee\* and is responsible for appropriately managing supply chain risks. The Committee is chaired by a corporate officer, while the

Supplier Management Subcommittee, a subordinate organization, manages supply chain risks.

\* EHSS (Environment, Health and Safety, Sustainability) General Committee: A committee composed of executive officers in charge of eight subordinate management systems (environment, health & safety, labor, ethics, information, supply chain, quality, and risk management & business continuity) and responsible for ensuring that the PDCA cycle for each system is properly implemented

## Working Together with Suppliers

In order to promote sustainable procurement, it is essential to have a relationship of trust and cooperation with suppliers. ROHM

strives to strengthen these relationships through close communication with suppliers as well as evaluation and audit programs.

Evaluation and audit programs

<b>1. Comprehensive Evaluation of Activities</b>	a) Product quality, b) Delivery time, c) Price, d) Continuity of supply, e) Results of CSR procurement self-assessment shown below * BCP initiative evaluation, financial evaluation by an external evaluation organization
<b>2. CSR Procurement Self-assessment</b>	We conduct self-assessment of labor (including human rights), safety and health, environment, ethics, and management system in accordance with the RBA Code of Conduct, as well as ROHM's own items of information security, BCP for procurement, and logistics. For suppliers defined as high-risk suppliers (sustainability), we take corrective action and provide support for improvement.
<b>3. CSR Procurement Audits</b>	Through dialogue with suppliers, we confirm the contents of self-assessments, check factories, and request improvements as necessary, with the aim of gaining their understanding and endorsement of ROHM'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.
<b>4. BCP for Procurement</b>	We assess risks associated with providing a stable supply and related impacts and check the state of responses to the identified key risks each quarter.

### 1. Comprehensive Evaluation of Activities

We extensively evaluate and provide feedback on activities, including suppliers' product quality, delivery date, price, and BCP initiatives, as well as the results of the CSR procurement self-assessment described in the next section. Comprehensive activity evaluations are conducted at the time of supplier selection, at the time of conclusion of contracts, and once a year for ongoing suppliers. If a supplier fails to receive the standard score, they will be excluded from the contract.

■ ROHM had a goal of conducting comprehensive evaluations of activities for all suppliers that account for 90% of annual purchases by FY2025, but surpassed that goal in FY2022 with 95.4%.

Number of Companies Whose Activities Were Comprehensively Evaluated

FY	2020	2021	2022
Number of Companies Evaluated (ROHM Co., Ltd.)	242	205	203
Number of Companies Evaluated	-	-	1,549

■ We had a goal of conducting comprehensive evaluations of activities for 100% of our critical suppliers\* by FY2025, but reached that goal in FY2021. We will continue this.

\* Critical suppliers <https://www.rohm.com/sustainability/supply-chain/communication#anc03>

### 2. CSR Procurement Self-assessment

We ask suppliers to conduct self-assessments. We rank suppliers based on their self-assessments and identify ESG risks. We recognize important suppliers rated B or lower, others rated C or lower as high-risk suppliers, and provide support for improvements to suppliers rated as high risk. The target for FY2025 is for all suppliers who account for 90% of annual purchase value to be rated B or higher. In FY2022, we asked 1,848 companies (an increase of 245 from the previous year) to conduct self-assessments, and the percentage of companies rated B or higher was 78.3%. ROHM conducts annual training for buyers and internal staff on the CSR Procurement Self-Assessment Program. In FY2022, we conducted training for 61 members of the Procurement Division.

Results of Assessments of Suppliers

FY	2020	2021	2022
Number of Companies Evaluated	1,538	1,603	1,848
Ratio of Suppliers Rated B or Higher (purchase value basis)	-	-	78.3%

### 3. CSR Procurement Audits

ROHM conducts at least one audit of critical suppliers over a three-year period. Audits are conducted in the form of second-party audits by CSR procurement personnel, who check documents on-site or online, as well as for plants and dormitories. CSR procurement audits are not only used to understand the actual situation, but also as an opportunity to convey ROHM's policies and approach to CSR procurement to suppliers, as well as to deepen mutual understanding of CSR activities with them. In FY2022, we conducted audits of 13 companies (an increase of 4 companies from the previous

year). In addition, we conducted audits on 100% of critical suppliers from FY2020 to FY2022.

CSR Procurement Audit Results

FY	2020	2021	2022
Number of Suppliers Visited	17	9	13

### 4. BCP for Procurement

As part of our business continuity plan (BCP), we have established a system that enables rapid recovery even in the event of an emergency, and we are working to prepare alternative materials.

- a) **Definition of Risk in the Procurement Divisions:** We have established the Risk Management and BCM Committee to manage risks in each division. In addition to the four existing risks of quality, delivery time, price, and compliance, the procurement divisions also evaluate risks in stable supply and its impact, and checks the state of responses to the identified key risks each quarter.
- b) **Selection of Suppliers:** In emergencies, information is shared across the entire supply chain, and we select suppliers who can ensure a continuous supply.
- c) **BCP Initiatives:** We are researching and compiling a database of information on the manufacturers and manufacturing locations of procured parts and materials so we can promptly confirm the damage, safety, and supply status of our suppliers in the event of an emergency.

### Survey of Primary Suppliers' Production Bases

We are currently conducting a survey of all materials, equipment, and parts procured from primary suppliers, about 70,000 items, with the goal of surveying 100% of production sites by FY2025, so that we can instantly identify the scope of impact in the event of an emergency. In addition, we numerically manage the results of our initiatives as the "ratio of primary supplier production sites surveyed" and monitor this indicator every year.

### Prior Agreement on Emergency Response

We are working with suppliers who supply important materials to make an agreement in advance on how to respond in the event of an emergency. We have set a goal of achieving 100% prior agreement by FY2025, and we quantitatively manage the results of our initiatives as the "ratio of suppliers with prior agreements on emergency response" and monitor this indicator every year.



Supply Chain Initiatives

Human Rights Initiatives

Our Basic Policy

ROHM, recognizing that "human rights are the fundamental rights, freedoms, and standards for treatment that individuals around the world possess," established the ROHM Group Human Rights Policy. This policy is positioned as the super-ordinate policy of all documents and norms related to ROHM's efforts to respect human rights in its business activities and applies to all of ROHM's activities worldwide. As a company with global operations, ROHM supports, complies with, and respects international principles and norms on human rights. If the laws and regulations of the country in which we operate differ from international human rights norms, we will follow the more rigorous standards.

International principles and rules endorsed by ROHM

- Ten Principles of the United Nations Global Compact (UNGCG)
- Universal Declaration of Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work (International Labour Organization)
- United Nations Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- ISO 26000
- RBA (Responsible Business Alliance) Code of Conduct

Human Rights Due Diligence

ROHM conducts human rights due diligence to identify, prevent, and mitigate adverse human rights impacts related to its business activities in accordance with the principles and norms it upholds. If a problem is revealed, we take appropriate corrective action. In addition, we have established a hotline and continue to build out an effective reporting and

response system. Furthermore, in order to raise awareness of human rights, we provide necessary education and skill development to officers and employees. With regard to these initiatives to respect human rights, we will strengthen our efforts through expert advice from external stakeholders and disclose the progress appropriately and regularly.

Promotion System

At ROHM, the EHSS General Committee, which is comprised of directors with management executive authority, corporate officers with equivalent authority, divisional managers, and managers of each management system, is in charge of eight subordinate management systems. The committee confirms whether the PDCA cycle for human rights risk management that has been considered in each field is being implemented properly.

The resolutions of the EHSS General Committee are communicated to related departments within ROHM and Group

companies through eight committees, where they are then implemented.

Based on our sustainability management system, ROHM cooperates with each specialist subcommittee, related divisions within the Company, and Group companies to obtain management system certification for each topic by implementing the PDCA cycle. Through these activities, we aim to further improve the quality of the Company to become a company preferred by stakeholders.

Human Rights Risk Assessments in the Supply Chain

Suppliers are asked to conduct self-assessments of the items listed in the RBA Code of Conduct. Through the results of the responses and CSR procurement audits, we request improvements in items with low scores, including labor

(human rights). In addition, during audits and meetings, we raise awareness of the importance of respecting human rights and the necessity of CSR procurement throughout the supply chain.

Human Rights Training

We conduct human rights training for new employees, mid-career hires, department heads, and officers, so that they respect the cultures, religions, customs, and systems of

each country and region, and act with an understanding of the diversity of values. In addition to group training, we also conduct e-learning on labor and ethics.

Ban on Child Labor and Forced Labor

The ROHM Group CSR Procurement Guidelines ban forced labor and child labor. In FY2017, we issued a statement in compliance with the U.K. Modern Slavery Act and asked all suppliers to give consideration to human rights. The

effectiveness and compliance status of our initiatives are confirmed annually through internal audits and external audits such as customer audits and RBA audits.

Responsible Procurement of Minerals

With the enforcement of the EU's Conflict Minerals Regulation in 2021, the necessity and importance of responsible mineral procurement is increasing around the world. ROHM strives to responsibly procure minerals throughout the supply chain in response to not only conflicts, but also minerals such as tin, tantalum, tungsten, gold, cobalt, and mica, which are related to risks and fraud involving human rights violations and environmental destruction, including OECD Annex II risks.

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

Survey results showed that the CFS rate in FY2022 was 98%, the same as the previous year. For the remaining 2% of minerals, we are investigating alternative sources. In the unlikely event that ROHM's products are found to contain conflict minerals that are a source of funds for armed groups, we will take corrective actions as quickly as possible.

Survey results for FY2022

Suppliers subject to surveys: 98 companies  
 Suppliers provided a response: 98 companies; response rate 100%  
 Identified supplier smelters: 211 companies for all minerals (of which, 206 have received RMAP certification from RMI)

	Gold	Tantalum	Tin	Tungsten	Overall
Total number of smelters	99	35	39	38	211
Number of CFS* certified smelters	98	34	39	35	206
CFS* certification rate	99%	97%	100%	92%	98%

\* CFS stands for Conflict Free Smelter (smelter that does not use conflict minerals). ROHM defines CFS as a smelter certified by the Responsible Minerals Assurance Program (RMAP) of the Responsible Mineral Initiative (RMI).

Green Procurement

As legal regulations on the management of chemical substances become increasingly stringent, ROHM is working to promote green procurement by increasing the precision of investigations of chemical substances contained in the parts and materials it procures. The Group has created a system to avoid procuring prohibited substances. It screens the substances contained in parts and materials according to ROHM's own standards and only those that meet the standards are registered as allowed products in the procurement

system. We also issue Green Procurement Guidelines<sup>1</sup> and Control Standard of Chemical Substance in Products<sup>2</sup> to our suppliers, requesting them to confirm the compliance of their parts and materials with the specified standards.

<sup>1</sup> Green Procurement Guidelines  
[https://www.rohm.com/documents/11303/12022709/ROHM\\_Green+Procurement+Guidelines\\_006en.pdf/a484be56-37de-f77f-45ae-851e75884a5b?t=1694497762857](https://www.rohm.com/documents/11303/12022709/ROHM_Green+Procurement+Guidelines_006en.pdf/a484be56-37de-f77f-45ae-851e75884a5b?t=1694497762857)

<sup>2</sup> Control Standard of Chemical Substance in Products  
[https://www.rohm.com/documents/11303/12022709/ROHM\\_Control+Standard-of+Chemical-Substances-in-Products\\_003en.pdf/e3b2b836-6d37-13e9-aae8-070bee14f990?t=1695805082657](https://www.rohm.com/documents/11303/12022709/ROHM_Control+Standard-of+Chemical-Substances-in-Products_003en.pdf/e3b2b836-6d37-13e9-aae8-070bee14f990?t=1695805082657)

Challenges for the Future ▶▶ Spreading ROHM's progressive initiatives throughout the supply

ROHM has participated in the Responsible Minerals Trade Working Group (Japan Electronics and Information Technology Industries Association) since its inception and has been considering effective measures. We have been proactively engaged in activities such as voluntarily undergoing RBA audits for more than a decade. As a company that respects human rights, in order to expand this initiative to the entire supply chain, we will hold individual consultations and other events to resolve questions from our business partners and strengthen our efforts. In addition, we will conduct ongoing due diligence so that all partner smelters undergo the Responsible Minerals Assurance Process (RMAP) certification system promoted by the Responsible Mineral Initiative (RMI) and obtain certification for compliant smelters.

Going forward, we will continue to improve management quality by complying with laws and regulations related to responsible mineral procurement, which is an important social issue, and build a supply chain that is trusted by society and customers and provides peace of mind.



**Cai Yun Jiang**  
 Group Leader,  
 CSR Procurement Group,  
 Procurement Management Department  
 Procurement Division  
 Supply Chain Management Headquarters



## Risk Management and Compliance Initiatives

In conducting sustainable business activities, ROHM minimizes the occurrence of risks, which are events that may impede business operations and business performance, and continuously implements business continuity and recovery measures. To continue to earn the trust of stakeholders, we have established a compliance system and are working to thoroughly manage the risk of violations of laws and regulations and corporate ethics.

Risk Management <https://www.rohm.com/sustainability/foundation/risk-management>

<b>Material issues</b>	<b>Risk Management</b> <ul style="list-style-type: none"> <li>Strengthening BCM system</li> <li>Conducting training to improve information security literacy and measures for information security vulnerability</li> </ul>
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	FY2022 results	KPI
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>Utilized remote work tools to conduct earthquake response BCM training centered on the BCM Task Force with management participation, and verified the effectiveness of our disaster response</li> <li>Conducted a remote risk survey focusing on fire and water damage of our major Japanese and overseas manufacturing sites and checked the status of our response to water and fire damage risks</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the BCM system through continuous risk identification (FY2025 target)</li> </ul>

### Risk Management Structure

Due to the drastically changing social environment and political situation, various risks may affect our financial position and operating results in the course of our business activities. The entire Group is working to strengthen risk management in order to avoid or minimize the impact of such risks. The Risk Management and BCM Committee (which meets four times a year) under the EHSS General Committee\* was established in 2022. The committee identifies important risks that may occur in the Group, evaluates them in terms of frequency (likelihood) of occurrence and impact on the business, and manages and promotes countermeasures.

In addition, we are checking the status of activities of each risk management system and responsible department, and are promoting the formulation of a BCP to ensure that the entire Group is fully prepared to deal with any risks.

\* EHSS (Environment, Health and Safety, Sustainability) General Committee: A committee composed of executive officers in charge of eight subordinate management systems (environment, health and safety, labor, ethics, information, supply chain, quality, and risk management BCM) and responsible for ensuring that the PDCA cycle for each system is properly implemented.

#### Activity cycle for risk management

1.PLAN

- Identification of critical risks**
  - The Risk Management and BCM Committee assumes a variety of risks surrounding the Company.
  - Identify important risks in the Group through each management system and division.

2.DO

- Risk response**
  - Management system or division in charge analyzes and evaluates risks and decides on a response policy.
  - Response based on the response policy.

3.CHECK

- Confirmation and evaluation of risk management systems**
  - The Risk Management and BCM Committee confirms and evaluates the status of the risk management system of the management system/department in charge

4.ACTION

- Correction of risk management system**
  - If there is a high likelihood of risk occurrence, corrective action is taken as necessary under the direction of the management system or division in charge.

### Business Continuity Management

ROHM conducts development, manufacturing, and sales activities not only in Japan but also in other parts of the world. Manufacturing and sales sites in these regions may be damaged due to natural disasters such as earthquakes and floods, the spread of infectious diseases, or human suffering caused by political instability or outbreaks of international conflict. Therefore, we believe that one of the key issues for our management is business continuity management (BCM), and we have taken measures such as locating production lines at multiple sites around the world to diversify risks (P93, Correlation with Products Produced at Major Manufacturing Sites).

In addition, the ROHM Group Risk Management and

Business Continuity Policy as well as the ROHM Group Fire and Disaster Prevention Policy have been established and are being implemented at each site. In particular, at domestic and overseas sites with production functions, risk assessments are conducted in cooperation with external specialized organizations from the perspectives of natural disasters, infectious diseases, safety, and operational, economic and political risks to identify, analyze and assess the most important risks for each plant. Based on these assessments, countermeasure committees and other groups are organized to formulate business continuity plans, conduct drills based on these plans, and take various other measures to prepare for contingencies.

### Actions for Water Risks

#### Identification of water risks by using the WRI Aqueduct tools and countermeasures

ROHM has used the WRI Aqueduct, a set of global assessment tools, to identify water risks.

The semiconductor industry uses large amounts of water, and securing water is critical to sustain semiconductor manufacturing. In addition, all plants in Japan have the front-end process (wafer process) functions in semiconductor manufacturing. Therefore, we have set long-term targets for securing water intake and reducing water usage, with drought risk as a priority issue. In addition, we have been proceeding with a water intake plan that is linked to production plans and environmental targets.

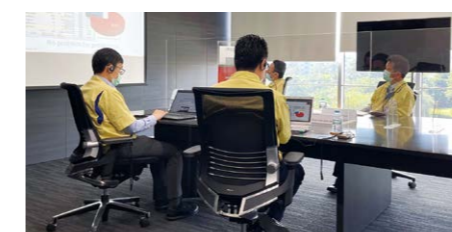
At overseas plants that have back-end process functions for

assembly and inspection, flood risk has been identified as an issue. For example, the 2011 flood in Thailand caused the Group's plants to shut down, and the loss of facilities and equipment and the economic loss due to the suspension of production had a great impact both internally and externally. To prevent such problems from occurring again, we also use WRI Aqueduct as a flood risk assessment tool. The Risk Management and BCM Committee then assesses and analyzes flood risks, designing inventories based on the expected number of suspension days in the event of flooding, thereby reducing the risk of production shutdowns due to flooding. In addition, at our domestic production sites, we are implementing measures such as raising major buildings to respond to the risk of flooding.

#### ROHM Integrated Systems (Thailand) Co., Ltd.: Conducting drills based on lessons learned from the flooding in Thailand

In November 2022, ROHM conducted drills for the BCM Countermeasures Headquarters as preparation for flooding at our manufacturing site in Thailand. In this 9th session, based on an action plan that was prepared by using the experiences of the 2011 flood, items for implementation were checked for hypothetical situations assuming each of the phases of upstream flooding and flooding equivalent to that in 2011 with a flood wall in the industrial park being washed away.

The program also includes training in essential skills, including assembling the flood walls that are being prepared for flooding, starting up drainage pumps, operating boats, and other activities such as checking items to be used in the event of flooding.



Remote flooding scenario training

#### ROHM-Wako Electronics (Malaysia) Sdn. Bhd.: Production building with floodproof features

The production building at our Malaysian plant, the largest in the Group, was completed in 2016, boosting production capacity along with the existing building. Learning from the flooding that occurred in 2014, the floor height of the first floor of Building A was set at 5.1 meters above the mean tide level. In addition, the power supply is backed up by dual power transmission, and a system has been established to prevent long-term shutdown of operations. Currently, we have adopted various BCM measures to new Building B. Measures adopted are the same level as that of Building A.



Flood wall assembly training at the manufacturing site in Thailand