

Results of the Fourth Survey of Business Partners on

I. Overview of Survey

UBE periodically surveys the sustainability efforts of its business partners with the intention of ensuring they engage in business activities with an awareness of sustainability and raising the level of the entire supply chain. In the fourth Sustainability Survey, UBE received answers to a total of 34 questions in six categories from a self-diagnosis survey carried out by business partners.

<Question Categories>

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|---|---------------|
| 1. Internal structure for practicing sustainability | (4 questions) |
| 2. Ensuring stable supply and quality | (3 questions) |
| 3. Corporate ethics, compliance with the law and social norms, and fair transactions | (6 questions) |
| 4. Consideration for the environment | (7 questions) |
| 5. Respect for human rights, safety, and health | (9 questions) |
| 6. Social contribution, communication with society, and information management and disclosure, etc. | (5 questions) |

The self-diagnosis survey set specific levels for initiatives and asked business partners to select the level on a 5-point scale from 0 to 5 that they considered to be closest to their present climate for all 34 questions.

Level	Status	Status (Example)
5	There is a mechanism for implementing initiatives and measures and checking	There is a mechanism for regularly monitoring and following up on operations.
4	A measurable level of initiatives and measures has been implemented.	There are company policies and standards that are widely known and implemented.
3	Initiatives and measures have been implemented at a part of the company's operations.	There are company policies and standards, which are implemented at some departments and/or businesses.
2	Some initiatives and measures are being considered.	There is awareness about the importance of the category, and countermeasures are already being considered in the departments concerned.
1	No initiatives or measures have been implemented.	There is not much awareness of the importance of the category.
0	Not applicable	

II. Survey Results

In the fourth Sustainability Survey, UBE sent out the questionnaire to 271 existing business partners in June 2021 and received responses from all respondents by September 2021.

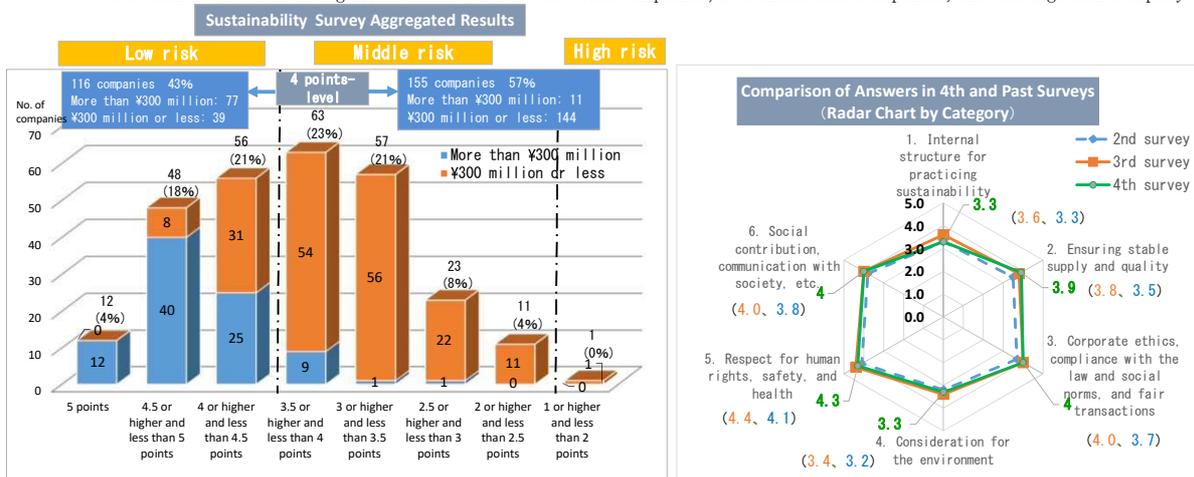
(The 271 existing business partners account for 90% of the purchase value of materials, construction, fuel oil, and packaging materials.)

The overall average level of the survey results was 3.8, indicating that a certain level of initiatives and measures have been implemented.

The average level for large companies with more than ¥300 million in capital was 4.5 while the average level for small- and medium-sized companies with ¥300 million or less in capital was one point lower at 3.5.

By category, while there was a high level of initiatives relating to human rights and safety and health, the scores on consideration for the environment were relatively low.

In the evaluation rankings, a level of 4 or higher was rated as low risk, 2 or higher and less than 4 was rated as medium risk, and less than 2 was rated as high risk. There were 116 low risk companies, 154 middle risk companies, and one high risk company.



III. Post Aggregation and Analysis Measures

A feedback report on the survey results showing the all-company average and the responding company's score for each category was sent to all of the 271 companies that responded. UBE confirmed the results of the self-diagnosis with its business partners and requested further improvements.

In particular, UBE conducted interviews with the bottom-ten ranked companies to confirm the content of their answers and request further efforts for improvement.

Improvements from the Previous Survey (3rd Survey)

The overall average in this survey was 3.8, matching the 3.8 in the previous survey and indicating that the initiatives and measures being implemented remains at essentially the same level as in the previous survey.

There were 110 business partners with an average point score in the previous survey of less than 4 that were surveyed again this time.

The overall average for these business partners in the previous survey was 3.27, which rose to 3.34 in this survey. (Rate of change: 3%)

In particular, UBE held interviews with the bottom-ten ranked companies in the previous survey to confirm the content of their answers and request improvements. The average score for these companies was 3.43, compared to 2.15 in the previous survey, indicating that improvement has been achieved. (Rate of change: 60%)