

Environmental and Sustainable Procurement Policy

Introduction

iiyama is one of the world's leading manufacturers of computer monitors. Efficiency, performance, reliability, and user comfort are all key to the development of iiyama products.

iiyama is committed to being a responsible company, not only striving for customer satisfaction, innovation, and operational excellence but also concerning the issues related to environmental protection and labor rights. This requires the implementation of sustainability programs across our entire supply chain. iiyama has formulated an "Environmental and Sustainable Procurement Policy" and implemented it together with our business partners; we will continue to strive to reduce the impact of corporate operations and activities, products and services on the environment.

Scope

This policy applies to iiyama employees and all our business partners.

Communication

We ensure that all iiyama employees understand this policy through annual ESG education and training. We take action based on the targets of this policy and all employees will follow and work together. We also promote this policy to all partners during annual supplier audits. This policy has been published on iiyama official website for all stakeholders to read.

Key areas and targets

iiyama aims to commit to the following:

1. Energy Consumption and Greenhouse Gas (GHG) Emissions

Reducing energy consumption and greenhouse gaseous emissions has always been a top priority for iiyama. iiyama realizes that in order to reduce energy consumption and GHG emissions, measures and initiatives need to be taken. Therefore, iiyama has implemented the following actions:

- ① Reduce office energy consumption and greenhouse gas emissions through employees' good behaviors such as turning off lights when not in use and reducing the frequency of air conditioning use, etc.
- ② Purchase of renewable energy.
- ③ Purchase energy-efficient lighting equipment.
- ④ Provision of energy conservation training sessions to employees.
- ⑤ Implement water conservation.
- ⑥ Develop more energy-efficient products.

iiyama aims to

- ① Reduce at least 1% of office energy consumption and greenhouse gas emissions by 2030 compared to the base year (2023).
- ② From 2022 onwards, at least 50% of total energy usage in iiyama global offices from renewable energy. And increase to 60% by 2030.
- ③ If the office needs to purchase or replace lighting equipment, from 2022 onwards, more than 80% of the lighting equipment purchased must be LED and more energy-efficient equipment. And increase to 90% by 2030.
- ④ Provide 100% of employees with training on energy conservation at least once a year from 2022 onwards.
- ⑤ Reduce at least 1% of office water use by 2030 compared to the base year (2023).
- ⑥ All monitor products of iiyama obtain the energy efficiency label (known as an ErP label).

2. Product-end-of-life and Waste Management

iiyama's products are all produced by partner manufacturers. iiyama only has offices and no production factories or laboratories, so we rarely use materials and chemicals. iiyama's waste is mainly divided into office waste, product packaging waste, and recycling after product EOL. iiyama has implemented a variety of actions to minimize our waste:

- ① Reduce the use of materials and chemicals.
- ② Provide employees with training courses related to waste recycling and reduction.
- ③ Employees are required to do a good job in sorting office garbage, and they are also required to reduce the generation of garbage as much as possible.
- ④ Call on employees to save office paper and replace printing with electronic files as much as possible.
- ⑤ Monitor products all comply with the international WEEE Directive. iiyama engages with recycling companies to reduce waste impact.
- ⑥ A discussion meeting at least once a year to discuss the reduction of packaging waste and the use of recycled materials.

iiyama aims to

- ① By 2030, offices will be 100% free of hazardous materials and chemicals.
- ② Provide 100% of employees with training on waste recycling and reduction at least once a year from 2022 onwards.
- ③ Reduce at least 1% of office waste by 2030 compared to the base year (2023).
- ④ Reduce at least 1% of office paper use by 2030 compared to the base year (2023).
- ⑤ From 2022 onwards, products' "Reuse + Recycled Rate" reach 70%. And increase to 75% by 2030.
- ⑥ By 2030, the proportion of recycled paper materials used in product carton packaging will aim to increase to 100%.

3. Customer Health and Safety

iiyama attaches great importance to the health and safety of customers when using products. Each product's user manual has "SAFETY PRECAUTIONS", which include ergonomic recommendations, eye-use time, prohibited behaviors during operation, etc. In addition, iiyama has implemented the following actions:

- ① Obtain TCO Certified for products. (TCO specifications include [User health and safety](#), [Product performance](#), [Product lifetime extension](#), etc.)
- ② Obtain Eyesafe Certified for products.

iiyama aims to

- ① By 2030, at least 80% of the sales volume of desktop display products will be TCO certified.
- ② By 2030, at least 25% of the sales volume of desktop display products will be Eyesafe/EyeComfort certified.

4. Promotion of Sustainable Consumption

For the sustainable operation of the company, iiyama attaches great importance to promoting sustainable consumption. We focus on customer satisfaction and take the following actions:

- ① Maintain close contact with customers to ensure product reliability and quality meet/exceed customer expectations.
- ② As customers pay more and more attention to environmentally friendly and energy-saving products, we need to increase the development of energy-saving products and obtain relevant certifications for energy conservation.

iiyama aims to

- ① From 2022 onwards, we conduct "customer satisfaction" survey at least once a year to collect customer feedback and suggestions and continuously improve our products and service. By 2030, "customer satisfaction" survey will be conducted at least three times a year.
- ② By 2030, at least 80% of the sales volume of desktop display products will be TCO certified.

5. Supplier Sustainability Management

iiyama's main procurement categories are desktop monitors, large format displays, gaming monitors, and touchscreens. For the realization of sustainable procurement, iiyama has established a sustainable procurement policy and requires all suppliers who sign a procurement contract with iiyama to comply with the following international environmental regulations:

- All suppliers who sign a procurement contract with iiyama must comply with the iiyama "A-TQP806 E Standard for Environmentally Friendly Products" document specification. This specification includes the EU Directive 2011/65/EU, amendment directive 2015/863/EU on Restriction of Hazardous Substances (RoHS Directive) and Directive 2012/19/EU on Waste Electrical and Electronic Equipment (WEEE Directive).
- REACH stands for Registration, Evaluation, Authorization, and Restriction of Chemicals. It entered into force on 1 June 2007. According to Article 33 of the REACH Regulation, manufacturers have a duty to communicate information on Substances of Very High Concern (SVHC) contained in products sold within the EU. The European Chemical Agency (ECHA) has issued the candidate list table for SVHC on its official website (<http://echa.europa.eu/candidate-list-table>), suppliers should confirm that all products supplied to iiyama comply with the requirements of REACH Regulation based on the candidate list of SVHC substances.

When each supplier signs the procurement contract with iiyama, they agree to abide by iiyama's "Environmental and Sustainable Procurement Policy", include compliance with the above specifications and requirements. In order to achieve sustainable procurement, iiyama has formulated specific measures for effective promotion and implementation:

- ① Through annual supplier audits to ensure all suppliers comply with iiyama specifications and international regulations.
- ② Pay attention to the suppliers' internal management system.
- ③ Establish iiyama "Supplier Code of Conduct" and require suppliers to comply with it.
- ④ Communicate iiyama ESG (environmental, social, corporate governance) policies and ESG issues we care about with stakeholders.
- ⑤ Pay attention to the performance of suppliers in three aspects of ESG.

iiyama aims to

- ① Conduct supplier audits every year and set up criteria for scoring suppliers. From 2022, 100% of suppliers complete iiyama's annual supplier audit.
- ② Ensure 100% of suppliers have both ISO 9001 and ISO 14001 certifications from 2022. By 2030, 100% of suppliers will have SA8000/RBA Report.
- ③ Ensure 100% of suppliers sign the "Supplier Code of Conduct" from 2022. By 2030, this code will be updated at least twice. For each update, all suppliers will be required to reconfirm compliance and return the signature within six months.
- ④ Through physical meeting training, online meeting training, or official website information disclosure, let stakeholders clearly understand iiyama's policies and ESG issues of concern.
- ⑤ Starting from 2023, ensure that all suppliers have done something in the three aspects of ESG and performed well through annual supplier audits and information disclosure on supplier websites.

6. Conflict Minerals

iiyama continues to pay attention to the issue of conflict minerals and is committed to detailed supply chain investigations to ensure that metals such as gold, tungsten, tin, tantalum, and cobalt are not mined from mining areas controlled by armed groups in Congo and its neighboring countries, and through responsible procurement behavior, requiring suppliers to respond together. iiyama is an associate member of the RMI program, and we use the RMI Conflict Minerals Reporting template to identify the risk of country-of-origin and strictly monitor suppliers. iiyama has also formulated a "Conflict Minerals Policy", which requires all suppliers to comply with it, and also calls on suppliers to promote the conflict minerals policy to their upstream manufacturers. Our measures and goals are:

- ① Conduct an annual survey and assessment of conflict minerals for suppliers, assess risks and ensure that the smelters and refiners used by suppliers are all approved by RMI.
- ② Strictly require suppliers to comply with iiyama "Conflict Minerals Policy".

iiyama aims to

- ① From 2022, 100% of suppliers confirm that the conflict minerals they use must be RMI-approved smelters and refiners.
- ② To date, we have had no conflict mineral violations. By 2030, maintain zero conflict mineral violations.

7. Code of Conduct

iiyama attaches great importance to the health and safety of workers and therefore iiyama continues to protect employees and supplier manufacturing labor through the "Code of Conduct". It contains several core ILO conventions. All suppliers must comply with "Code of Conduct" and must also comply with the labor and human resource laws and regulations of the local country, including those related to wages, working hours, working conditions, and child labor. Our measures and goals are:

- ① All suppliers must comply with iiyama "Code of Conduct".
- ② All suppliers must train their upstream manufacturers on the content of iiyama "Code of Conduct".

iiyama aims to

- ① Ensure that 100% of suppliers comply with "Code of Conduct" through annual supplier audits.
- ② By 2030, achieve 100% of suppliers complete the iiyama "Code of Conduct" training for upstream manufacturers.

Frequency of review

This policy shall be annually reviewed by the R&D Department - ESG Sustainability Specialist for continual improvement. We will update this policy as needed.

Document version	Date of review	Date of next review
V3.0	2024/3/1	Update as needed

Responsibility and sanctions

iiyama ensures that all employees are trained on this policy during the onboarding process. External parties like suppliers, consultants, and other business partners shall be made aware of this policy upon signing their services agreement or contract with iiyama. All employees and external parties are to acknowledge and contribute to the goals set out in this policy.

All employees and business partners are welcome to report any incidents to any of the following options:

- Reporting to manager;
- Send an email to HR officers (email: h.chiba@iiyama.com);
- Posting an anonymous letter to head quarter.

All whistleblowers who raise an issue honestly are prohibited from being retaliated against. Besides, whistleblowers will remain anonymous and are granted immunity. We value employees to voice out and identify potential problems. We will immediately initiate an incident investigation process. Sanctions may apply once the reported incidents are confirmed as violations and disciplinary measures will be applied based on company rules and local regulations. Please refer to our Whistleblowing Policy for more details.

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President and Chief Executive Officer



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