



Mitsui Components Europe Purchasing Policy Statement

Mitsui Components Europe operates sustainable supply chains that are in accordance with its Code of Conduct to “contribute to society by providing valuable products” as defined in the Management Philosophy. Through fulfilling our supply chain responsibility based on mutual understanding and trust with suppliers, we work to achieve mutual development and growth with suppliers.

1. We comply with laws, regulations, social norms, and the corporate code of ethics in procurement.
2. We require suppliers’ sound business operating bases, improvement of technical competence, excellent quality, price competitiveness, and stable supply, as well as promote supply chain responsibility in the fields of human rights and labour practices, health and safety, ethics, and the environment. We are not complicit directly or indirectly in human rights abuses, including child labour and forced labour. We conduct procurement based on transparent and fair competition and work against corruption in all its forms.
3. In selecting suppliers, we make a comprehensive assessment to ensure supply chain responsibility in the fields of human rights and labour practices, health and safety, ethics, and the environment. In actual transactions, we, in cooperation with suppliers, work on responsible procurement in these fields. In deciding whether to continue business relationships, we place priority on supply chain responsibility.



Mitsui Components Supplier Corporate Social Responsibility Guidelines

At MCE, we hope to contribute to the realization of a sustainable society through the following Supplier Policy Requirements and activities in addition to implementing thorough environmental management:

1. Basic Management Philosophy

We implement and encourage the following philosophy within our suppliers:

- Creation of Work Environment based on Respect for our Employees

Organize the environment to foster trust between workers and management and develop a work climate to promote human development.

- Continuous Improvement Activities

We improve our business operations continuously, always driving for innovation and evolution.

- Two-way Communication

To succeed in our endeavours, we and our suppliers need to work together. We must foster an environment of close communication, exchanging ideas frankly and coming to terms with each other on all matters of importance.

2. Expectations of Suppliers for providing “Products and Services”

- We expect suppliers to provide the best possible products at the lowest possible cost. This must also consider providing in the timeliest manner on a stable and long-term basis.
- Suppliers need to undertake product development and deploy manufacturing processes that address the customers’ needs and wants of today and tomorrow.

Therefore, our main expectations are as follows:

1. Safety

Safety is paramount. It is imperative to create a safe environment for people to carry out manufacturing without worry. In a safe working environment, workers can concentrate their efforts on manufacturing, and make products of the best quality.

2. Quality

High quality is an absolute prerequisite for our business, and we assume that all suppliers will devote themselves to quality in development and production.

3. Delivery and Production

We maximise efficiency through lean manufacturing. We expect suppliers to contribute to this lean efficiency through flexible, right first-time execution in mass production, and in delivery.

4. Cost

We expect suppliers to offer the most competitive cost. Suppliers need to adopt a continuous improvement mind set to support continuing cost reduction.



3. Expectations of Suppliers in the Process of Developing “Products and Services”

We expect suppliers to:

3.1. Legal Compliance and Business Ethics

Compliance with Laws and the Spirit thereof

- Comply with applicable laws and regulations of each country and region as well as the spirit thereof.
- Establish and implement policies, structure and mechanisms for ensuring and verifying legal compliance including a code of conduct, confidential compliance hotline and training.

Management and Protection of Confidential Information

- Manage and protect company’s confidential information such as trade secrets and use such information in an appropriate manner.
- Obtain confidential information concerning other companies only from authorized personnel by legitimate means. Verify the permissible scope of use and other conditions concerning such confidential information and use it only within the scope allowed, while maintaining its confidentiality and not infringing upon the rights of the other companies.
- Obtain personal information concerning employees, customers, and business partners only by legitimate means. Manage and protect such information in a secure manner and use the information only within the scope allowed.

Managing Conflicts of Interests

- We define conflicts of interests for our Personnel as any financial or other factor that may motivate behaviour that is not in our best interests. We expect our Suppliers to avoid creating any conflicts of interests for our Personnel.
- If our Suppliers have any conflict of interests relevant to their work with us, this must be disclosed so that any conflict can be appropriately managed.

Protection of Intellectual Property

- Continually monitor and protect all intellectual property of the company against any infringement by others.
- Not infringe the intellectual property (such as patents, utilities, designs, and trademarks) of others, illegally use such intellectual property or make illegal copies of software or publications.

Integrity in Financial Transactions

- Comply with all applicable laws and regulations relating to integrity and transparency in financial transactions. This expectation includes, but is not limited to, applicable laws and regulations relating to money laundering, proceeds of crime, fraud, tax evasion and insider trading / market abuse regulations.

Compliance with the Competition Laws

- Not engage in illegal acts against the competition laws and regulations of each country and region including private monopolies, unreasonable restraint of trade (cartel, collusive bidding, etc.) or unfair trade practices.



Export Controls and Sanctions Compliance

- Comply with laws and regulations concerning export controls, thoroughly implement such controls and establish management as confirming whether products, technology or other exports are subject to regulations, and prepare and provide documentation of such confirmation.
- Respect the restrictions on the export or re-export of goods, software, services, and technology, as well as with applicable restrictions on trade involving certain countries, regions, companies or entities and individuals.

Anticorruption and Anti Bribery Measures

- Comply with applicable laws and regulations concerning political donations or contributions and strive to build transparent and fair relationships with political parties or administrative bodies.
- Not engage in giving or receiving presents, entertainment or money with customers, suppliers and other business partners in order to acquire or maintain unjust interest or wrongful preferential treatment.

Competition and Antitrust Compliance

- Uphold standards of fair competition. Our Suppliers must comply with all applicable antitrust / competition laws and regulations.

Counterfeit parts

- Fulfil the requirement for companies to develop, implement and maintain methods and processes appropriate to their products and services to minimize the risk of introducing counterfeit parts and materials into deliverable products.
- Establish effective processes to detect counterfeit parts and materials and, if detected, quarantine the materials, and notify MCE as the customer and/or law enforcement as appropriate.
- Expected to confirm that any sales are compliant with local laws and those products sold will be used in a lawful manner.

Disclosure of information

- Commit to a company's responsibility to disclose financial and non-financial information in accordance with applicable regulations and prevailing industry practices and, when applicable, disclose information regarding labour force, health and safety practices, environmental practices, business activities, financial situation and performance.

3.2. Human Rights/Labour

Non-Discrimination, equality and diversity

- Not discriminate based on personal characteristics protected by local applicable laws and regulations, such as race, ethnic and national origin, religion, age, gender, etc. with regards to all aspects of employment, including application process, hiring, promotion, compensation, access to training, job assignment, wages, benefits, discipline, termination and/or retirement.



- Promote a culture of diversity, equality, and inclusion, where everyone can contribute fully and reach their full potential. Suppliers should strive for diversity at all levels of workforce and leadership, including boards of directors.
- Provide equal opportunities for women in employment and commit to equal pay for equal work.

Respect and Dignity – Harassment

- Not tolerate any form of harassment in the workplace based upon the personal characteristics protected by local applicable laws and regulations, such as race, ethnic and national origin, religion, age, gender, etc.
 - Harassment may involve verbal, visual or physical conduct that negatively interferes with work performance, diminishes the dignity of any employee, or creates an intimidating, hostile or otherwise offensive work environment.
- Implement procedures for prompt reporting and examination of any harassment complaints and enable employees to report any instances of harassment without fear of reprisal, intimidation, or harassment.

Child Labour

- Not use child labour.
- Follow the legal minimum age for employment, or the age for completing compulsory education, whichever is greatest under the local applicable laws and regulations.
 - Apprenticeship programmes permitted under the local applicable laws and regulations are allowed.

Forced Labour

- Not use forced labour.
- Ensure that all work is voluntary, and employees are free to leave work or terminate their employment.
- Not require employees, who must work in a legal status, to surrender passports, government-issued identifications, or work permits as a condition of employment.

Wages and Benefits

- Pay wages in compliance with local applicable laws and regulations, including those relating to minimum wages, overtime hours, deduction from wage, piece rates and other elements of compensation.
- Provide legally mandated benefits.
- Ensure wages, other compensation, benefits, and deductions are detailed and explained, in compliance with local applicable laws and regulations, clearly and regularly to employees.

Working Hours

- Comply with local applicable laws and regulations governing employees' working hours, including overtime work.

Freedom of Association

- Recognise employees' right to freely associate, or not to associate, complying with local applicable laws and regulations in which we operate.



- Encourage employees to communicate openly and directly with management without fear of reprisal, intimidation, or harassment.

Rights of Minorities and Indigenous peoples

- Respect the rights of local communities to decent living conditions; education, employment, social activities, and the right to Free, Prior, and Informed Consent (FPIC) to developments that affect them and the lands on which they live, with consideration for the presence of vulnerable groups.

Safe and Healthy Working Environment

- Place the highest priority on safety and health programmes and policies at work, so that each employee can work without undue concerns and strive to prevent accidents and injuries from happening at work.
- Support efforts to improve the health of employees through health promotion activities at work, guidance for preventing illness, and other means.

Complaint Process and Retaliation Protection

- Implement a complaint procedure that includes all relevant business processes and that guarantees the complainant every protection against retaliation ("whistleblower policy").

Private or public security forces

- Commission or use private or public security forces to protect the business project if, due to a lack of training or control on the part of the company, the deployment of the security forces may lead to violations of human rights.

Land, forest and water rights and forced eviction

- Commit to the avoidance of forced eviction and the deprivation of land, forests and waters in the acquisition, development or other use of land, forests, and waters.

Animal Welfare

- Comply with all legal requirements and, as applicable, implement industry-best policies and practices related to the ethical treatment of animals. We believe in the humane treatment of animals, including freedom from thirst and hunger, freedom from discomfort, pain, injury and disease, freedom to express normal behaviour, and freedom from fear and distress.

3.3. Environment

Environment

- Pursue growth in harmony with the environment and aim for zero-emissions in your business activities.
- Establish an Environmental Management System (EMS) that can promote environmental preservation activities and continuously improve them, in addition to comply with applicable environmental laws and regulations in each company.
- Promote proper management for environmental Substances of Concern (SoC) as well as improving environmental performance.



Energy

- Actively monitor and manage the energy usage within the business to aid in efficient usage.
- Pursue energy efficient processes.
- Where possible, engage with Renewable energy contract providers.
- Where possible, identify and implement the generation of renewable energy.

Water

- Pursue water usage reduction: Promote reduction actions (e.g. wastewater recycling)
- Ensure wastewater quality management.
- Comply with local laws, regulations and standards when discharging wastewater from facilities.

Waste and Recycling

- Monitor and manage waste production to minimise waste throughout the supply chain.
- Maximise recycling across the business, driving cost down and rebate where possible.
- Where possible, consider the reuse of materials to minimise raw material usage.

Air Quality

- Ensure legal compliance against local air quality standards.
- Reduce the impact on air quality by minimizing emissions from all business activities.

Responsible Sourcing of Raw Materials

- Obtain materials with full deliberation and care to avoid the procurement or use of materials which are unlawful, or which are obtained through unethical or otherwise unacceptable means (such as conflict minerals). We expect suppliers to take appropriate steps to discontinue procurement of these materials if use is detected.
- Source raw materials and minerals responsibly and are expected to demonstrate this through the design and implementation of a management system promoting supply chain traceability and transparency.

Decarbonisation

- Contribute to the reduction of GHG emissions from the supply chain.

Soil quality

- Monitor the condition of the soil in their area of responsibility and establish measures to maintain and improve soil quality.

Noise emissions

- Suppliers will monitor and where necessary manage the release of noise into the environment from the various business-related sources.
- Ensure noise emissions meet local legal standards.