

## California Transparency in Supply Chains Act: Supplier Disclosure Statement

Coilcraft encourages its direct suppliers of Coilcraft's tangible goods for sale ("Suppliers") and service providers to conduct their business in a manner consistent with Coilcraft standards, including those related to the eradication of human trafficking and slavery and other forms of forced, coerced or under-aged labor. These expectations are communicated to Suppliers through a variety of channels, including the Coilcraft Supplier Quality Manual [\[link\]](#).

**Verification:** Coilcraft also has a documented supplier qualification process to further the eradication of human trafficking and slavery, including a Supplier Social Responsibility Requirement Policy, Supplier Assessment for Approved Supplier List and Corporate Social Responsibility Supplier Self-Audit.

Specifically, all potential new Suppliers must complete the Corporate Social Responsibility Supplier Self-Audit in which the Supplier must accurately respond if, among other things:

- The Supplier "works according to a documented and established policy of no forced, bonded, involuntary prison, slavery, trafficking or illegal labor";
- The Supplier's "employees are free to leave their employment after reasonable notice";
- The Supplier "works according to a documented and established policy of no physical abuse or discipline; no threat of abuse, including sexual or verbal harassment or intimidation";
- The Supplier "complies with the legislated minimum age for employment of the country in which (it) operates"; and
- The Supplier "complies with all international, national, regional and other applicable laws and regulations that apply to the region in which (Coilcraft) operates".

Coilcraft's Supplier Quality Manual 7.0 requires all Suppliers to have a Social Responsibility/Environmental system as defined by Coilcraft's Supplier Quality Manual and which is compliant to EICC requirements. Coilcraft's Corporate Purchasing and Corporate Quality is also empowered to identify existing Suppliers to evaluate and verify their conduct periodically regarding labor, ethics, health and safety, environmental protection and management practices as set out in the Corporate Social Responsibility Supplier Self-Audit.

**Audits:** Section 8.11 of Coilcraft's Supplier Quality Manual provides Coilcraft the right to perform product, process, and system audits, including social accountability audits, of its Suppliers, to ensure compliance with applicable laws relating to human trafficking and illegal child labor. Coilcraft does not have the audits conducted by an independent third party and does announce all audits.

**Materials:** As noted above, Coilcraft already requires its Suppliers to comply with all international, national, regional and other applicable laws and regulations. Coilcraft anticipates adding to its Supplier Self-Audit form a specific provision requiring the Supplier to also certify if the materials incorporated into Coilcraft's products comply with the laws regarding slavery and human trafficking of the country or countries in which the Supplier is doing business.

**Accountability Standards:** Coilcraft has implemented programs and procedures to manage risks associated with slavery and human trafficking in our supply chain. Our Employee Guidelines, Code of Conduct and Ethics/Business Conduct Policy and Corporate Social Responsibility (CSR)-Labor program describe the ethical standards that should be observed by company management, employees, and business units. Coilcraft's Employee Guidelines state that any violations of the above policies should be promptly reported to Coilcraft and may result in disciplinary action.

Coilcraft encourages and supports third party labor agencies to join in the implementation of its CSR standards and best practices and imposes upon management the responsibility to pass down its CSR policy requirements to Suppliers where applicable. Coilcraft also requires our Suppliers to complete a Supplier Self-Audit verifying if they provide adequate information and training to all employees regarding relevant legal, regulatory, and internal requirements that apply to their jobs, and that our Suppliers have management systems in place to assess labor, ethics, health, environmental, and safety risks, including risks relating to human trafficking and illegal child labor. Moreover, our Suppliers must certify that they have mechanisms in place that allow a Supplier's employees to report concerns without fear of retaliation. Coilcraft also maintains various avenues through which Supplier employees and business partners are able to raise questions or confidentially report concerns of alleged misconduct under our policies and programs described above, including a toll-free phone line operated outside of California and internet-based mechanism accessible worldwide and available in multiple languages.

**Training:** Coilcraft provides regular online training to our employees on the Coilcraft Code of Conduct, Corporate Social Responsibility (CSR)-Labor and related Coilcraft policies and procedures to ensure our employees who have a direct responsibility for supply chain management are better able to identify and mitigate any risks associated with slavery and human trafficking. The training details Coilcraft employees' obligations under the EICC, including with respect to the laws governing slavery and human trafficking set forth above. Coilcraft employees are required to certify that they have completed this training.

Coilcraft is committed to upholding high standards of ethics, integrity and corporate responsibility in our business practices and operations.