

Sumitomo Electric Group

CSR Procurement Guidelines

Sumitomo Electric Industries, Ltd.

Second edition April, 2014

Requests to our Suppliers

The Sumitomo Electric Group aims to contribute to creating a better society and environment, with a firm awareness of our social responsibility. To this end, the suppliers that directly or indirectly provide their products and services for us are also required to work on the activities together with us. Therefore, we have summarized our requests to the suppliers of the Sumitomo Electric Group in these guidelines, and the suppliers are requested to promote compliance with them. Our suppliers are also asked to request their suppliers to comply with the guidelines.

1. Provision of Useful and Safe Products and Services

The Sumitomo Electric Group will aim to provide useful and safe products and services that will satisfy customers in all aspects including quality and cost. Therefore, our suppliers are requested to stably provide the products and services that satisfy the quality, specifications and safety standards that we require at competitive prices in the market according to the delivery schedule.

2. Enhancement of Technological Capabilities

We will aim to develop new and original businesses and products by using our unsurpassed creativity in meeting customer's demands. Therefore, the suppliers that provide us with products and services are also requested to be constantly committed to continual improvement of their technical capabilities, the development of new technologies and materials and the promotion and proposal of value analysis/value engineering (VA/VE).

3. Promotion of Sound Business Management

We will promote continuous business interaction with the suppliers carrying out sound business operations and build mutual trust and cooperation with them. Accordingly, suppliers are requested to disclose information on their management policies and the status of business operations (including financial conditions) in a proper manner.

4. Contribution to Preservation of the Global Environment

We think it is primarily important to establish a society that is sustainable and has less environmental impact. Suppliers are requested to understand it, make continuous and steady efforts to protect the environment from a global perspective and comply with the SEI Guidelines for Green Quality Purchases (Note.1).

(Note.1) The guidelines have been distributed to most of suppliers from the relevant divisions.

5. Compliance with Laws and Social Norms and Fair and Proper Business Activities

Suppliers are requested to comply with not only relevant laws and regulations (i.e. anti-monopoly laws, commercial laws, subcontract laws, foreign exchange laws, personal information protection laws, copyright laws, etc.), but also social norms in the countries and regions where they are doing business.

6. Social Contribution and Elimination of Antisocial Forces

To create a better society, suppliers are requested to respect the culture and customs of every region where suppliers are doing business and actively contribute to the economic and social development of those regions.

We believe that we have to maintain a strong stand against any antisocial forces and groups that threaten public order and safety. Suppliers are also requested to understand it and act in the same manner.

7. Respect to Human Rights and Considerations of Occupational Health and Safety

Suppliers are requested to respect fundamental human rights of all individuals and endeavor to make their workplace safe, sound and energetic.

The use of forced labor or child labor, inhumane treatment or discrimination of workers or illegal employment of foreign workers is not allowed. The employment conditions including wage and work environment as well as occupational health and safety standard must be compliant with laws and regulations in the countries and regions where suppliers are doing business.

Suppliers are also requested to conduct their procurement activities while taking the impact on local societies into account by using materials (e.g. Congo conflict minerals [Note.2]) that may result in human rights violations, environmental damage, or other social problems. If any such materials may be involved, necessary action must be taken to cease such trade.

[Note.2] Minerals that are mined in the Democratic Republic of the Congo and its neighboring countries and provide a funding source to local armed insurgents.

8. Disclosure of Relevant Information and Promotion of Communication with Society

Suppliers are requested to disclose useful information on their management, financial condition, environmental preservation and social contribution to their stakeholders in a proper and timely manner, and to promote good communication with society.

9. Maintenance of Confidentiality and Information Security

Suppliers are requested to strictly control any information obtained through business transactions with the Sumitomo Electric Group and maintain confidentiality, and not to disclose any of such information without our prior consent.

In addition, suppliers are requested to take protection against threats on computer network to prevent damage to themselves or others.