

Sumitomo Wiring Systems, Ltd.
CSR Guidelines for Suppliers

May 2013

Introduction

With the growing awareness of Corporate Social Responsibility in recent years, we Sumitomo Wiring Systems remind ourselves of its significance and promote a broad range of CSR activities that include establishing compliance and risk management systems, to meet our stakeholders' expectations and requests.

It is essential to secure the understanding and support from our suppliers for the CSR activities in our procurement process. From this point of view, we published "SWS CSR Guidelines for Suppliers" in September 2010 based on our group Corporate Principle and Code of Conduct and have been requesting your cooperation since then.

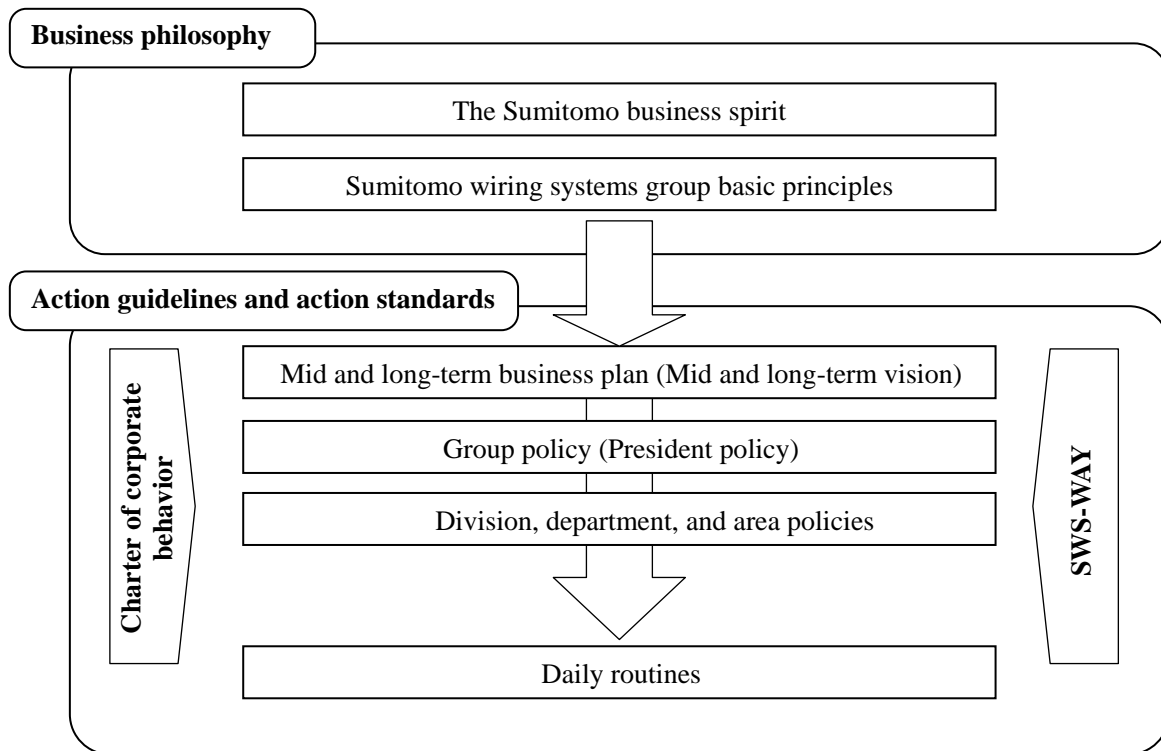
Following the increasing demands for global companies to promote CSR activities, we have lately reviewed our Code of Conduct and partially revised the Guidelines.

Thus, we would like to ask you to retain compliant with the law and the spirit of law in line with the Guidelines in your organization and also extend the same to your suppliers.

We SWS Group will continue to practice the spirit of "Connect with the Best" and strive for the growth in order to obtain understanding and trust from our stakeholders.

President and Chief Executive Officer, Representative Director
Osamu Inoue

I. The Sumitomo Business Spirit, Group Basic Principles, and Charter of Corporate Behavior



1. The Sumitomo Business Spirit (Sumitomo’s Family Constitution)

Article 1 Sumitomo shall achieve strength and prosperity by placing importance on integrity and sound management in the conduct of its business.

Article 2 Sumitomo shall manage its activities with foresight and flexibility in order to cope effectively with the changing times. Under no circumstances, however, shall it pursue easy gain or act imprudently.

The origin of the Sumitomo Business Spirit dates back to “Monjuin Shiigaki” (the Aphorisms of Monjuin), which was written by Masatomo Sumitomo, the first-generation head of the House of Sumitomo. The Aphorisms consist of five articles that describe basic rules for merchants in an easy-to-understand manner. This lesson has been handed down as the family motto throughout Sumitomo’s history and has become business principles of Sumitomo group companies. The Sumitomo Wiring Systems Group also positions the Sumitomo Business Spirit as its top business philosophy.

2. Sumitomo Wiring Systems Group Basic Principles

In the spirit of “Connect with the Best,” we at Sumitomo Wiring Systems Group are committed to:

- Contributing to the global community through the success of business
- Realizing customer satisfaction through high-quality service
- Developing the prospective future through creation and innovation
- Preserving corporate ethics based on integrity and trust
- Respecting individuality and nurturing a vigorous and prosperous corporate culture

In July 1998, the Sumitomo Wiring Systems Group Basic Principles were set forth as basic attitudes for business activities in the Sumitomo Wiring Systems Group as a result of discussions about basic principles for business activities with representatives from Sumitomo Wiring Systems’ divisions and group companies in Japan.

By our slogan “Connect with the Best,” we mean “to make all the connections surrounding us, along with the connecting roles that our products play, prevail over our competition in the best way.”

3. Sumitomo Wiring Systems Group Charter of Corporate Behavior

1. Provision of excellent products and services

We shall provide excellent products and services that are socially useful and safe to satisfy customers in all aspects including quality and costs.

- We shall pursue provision of products and services that satisfy customers in all aspects of “SE + QCDD”.
- We shall strive to establish the system where we can quickly and adequately cope with any risks that may occur during business activities, such as natural disasters, incidents or accidents.

2. Development of new, original business and products

We shall devote ourselves to developing new, original, profitable business and products by understanding the customers’ needs and demonstrating our surpassing creativity.

- We shall constantly explore the customers’ needs, then develop and present proactive suggestions to quickly meet their needs.

3. Global business expansion, and growth and development of the Group

We shall always engage in business from a global point of view, and strive for continuous growth and development of the Group, fully utilizing the dynamism of our group management.

- We shall promote business activities from the best viewpoint for the entire group.
- We shall promote quick and accurate global information sharing.

4. Consideration for global environment

We shall act in a voluntary and proactive manner for global environment preservation, and contribute to the establishment of a sustainable society.

- We shall promote the development of products, technologies, and production engineering that can reduce the environmental load.
- We shall comply with environmental regulations, implement environment preservation plans, and promote environmental preservation activities through exchanges with local communities.

5. Observance of laws and regulations

We shall strictly observe domestic and international laws and regulations, and always act fairly and openly.

- We shall observe anti-bribery regulations in each nation, and maintain an honest and fair relationship with government agencies and public authorities.
- When exporting products or technologies, we shall implement appropriate procedures and management, complying with laws and regulations in each nation.
- We shall appropriately use or manage confidential information (e.g. own or a third party’s management/technical information), tangible/intangible assets, and personal information.

6. Fair and appropriate business activities

We shall promote fair, transparent, free competition and legitimate trade.

- We shall observe competition laws in each nation, and compete fairly and freely.
- We shall select our business partners fairly and impartially based on the principle of competition, and provide candidates with equal opportunities, regardless of their nationality and size.

7. Action with awareness as members of society

We shall act with awareness as members of society to create a better society, and make great contributions to society.

- We shall take a strong stand against any antisocial forces or groups that threaten public order and security.
- We shall implement social contribution activities, aiming at coexistence with society.

8. Harmony with international society

We shall aim to be a global company trusted by international society.

- We shall respect the cultures and customs in each nation or region, and contribute to the development of the economy and society.

9. Establishment of pleasant working environment and cultivation of personnel

We shall protect human rights, respect individuals, make an effort to create a bright and energized working environment, and stimulate the personal growth of each individual.

- We shall strive to provide a working environment where employees can work in a safe and healthy manner.
- We shall respect employees' diversity, personality, and uniqueness, and support their career development or competence development leading to self-fulfillment.
- We shall not discriminate against employees, and handle their wage, working hours, and other working conditions lawfully and fairly.
- We shall not use or tolerate any forced or child labor.
- We shall recognize our employees' right to associate or right not to associate, complying with laws and regulations in each nation.

10. Appropriate information disclosure and promotion of communication

We shall strive to build and develop a trusting relationship with communities through appropriate information disclosure and promotion of communication.

- We shall appropriately disclose our corporate information for our stakeholders.
- We shall strive to promote communication with communities through public relations, public hearings etc.

Based on the Sumitomo Business Spirit and the Sumitomo Wiring Systems Group's Basic Principles, the Sumitomo Wiring Systems Group shall contribute to the progress of the sustainable global community through business prosperity and continuous growth, and aim to be a business entity trusted by international society and stakeholders.

We, the executives and employees of the Sumitomo Wiring Systems Group, shall regard the Sumitomo Wiring Systems Group Charter of Corporate Behavior as specific guidelines, and conduct ourselves in accordance with the Charter to fulfill these corporate principles.

II. Procurement Policy

We have developed our procurement activities based on the practice of “Connect with the Best.” Our policies include:

(1) Providing open and fair opportunities

We provide open opportunities for business entry, regardless of nationality, size of business, or past transactions with us. Based on the principle of competition, we select our suppliers by conducting fair and equitable evaluations, taking into consideration each company’s management reliability and technology development capabilities in addition to quality, price and delivery time.

(2) Our basic principles—Mutual Understanding, Mutual Reliance, and Mutual Enlightenment

For our suppliers, we define our most basic principles as: “Mutual understanding” or knowing each other well; “Mutual Reliance” or respecting each other; and “Mutual Enlightenment” or improving each other.

(3) Establishing global partnerships

We have located our bases in many countries, and have developed our business on a global basis. We are always looking for good partnerships with our suppliers that will enable us to produce better and more competitive products around the world.

(4) Complying with the law

We respect the spirit of business and commercial law, and conduct our procurement activities according to the law.

(5) Promoting green procurement

We do business with our focus on environmental preservation to sustain a wealthy society. We aggressively address product procurement that gives special consideration to the global environment.

III. CSR Guidelines for Suppliers

1. Sharing management attitudes

We would like to share with you the following commitment and attitudes:

(1) Creating a workplace respecting human nature

Organize the environment to help employees work with trust in their companies. Build corporate culture to promote human resource development.

(2) Manufacturing focusing on actual sites and articles

Take a close look at actual sites and articles to find the root cause behind the facts. We believe the important things are to identify the essence, build a quick consensus, make a quick decision, and do your best.

(3) Continuous improvement

Always strive for evolution, innovation, and improvement.

(4) Bidirectional communication

Our manufacturing depends on the collaboration between you and us. The key to success is ensuring bidirectional close communication as if we were one company. We hope we can talk with each other frankly to convince ourselves of the value of our business.

2. Our requests for the provision of product and services

We would like you to provide us with the best products at the lowest prices in the world in the most quick and timely manner with long-lasting stability, keeping in mind “SE+QCDD”: Safety, Environment, Quality, Cost, Delivery, and Development.

(1) Safety

Manufacturing depends on people. They can never produce quality products unless their workplaces are safe and healthy. We hope you build a work environment that helps employees do their jobs free from anxiety.

(2) Environment

Conservation of the global environment is one of corporate social responsibilities. We hope for your continuous activities for the environmental preservation, including product development that gives special consideration to the global environment.

(3) Quality

We have given top priority to quality to gain the customer’s trust. Customers will expect top quality with our products in the future as well. We would like you to recognize quality as an indispensable prerequisite for business and ensure development and production with quality first.

(4) Cost

We hope for your best cost competitiveness in the world. To achieve this, develop and innovate production technologies and continue cost reductions.

(5) Delivery

We manufacture required products in required quantities when they are needed. We would like you to take flexible and reliable action in the production preparation, production, and delivery processes.

(6) Development

Technologies have increased their significance in three areas: environment, safety, and entertainment. We ask you to develop new technologies ahead of other companies by correctly identifying customer

needs as well as the social and environmental requirements. We also ask you to develop new technologies at lower costs to help as many customers as possible benefit from the new technologies.

3. Our requests for the manufacturing process of product and services

We would like you to work on the following items in your companies. We ask you to convey your CSR policies and guidelines to your suppliers and encourage them to establish the following items in their own companies.

(1) Compliance

Compliance with the law and the spirit of the law

- Comply with the law and the spirit of the law in each country and region.
- Create and implement policies and systems to maintain the compliance, including action guidelines, report systems, and education mechanisms.

Control and protection of confidential information

- Ensure strict control and careful use of your confidential information, including trade secrets.
- Acquire other companies' confidential information from duly authorized people in a legitimate manner. Check the limitations of the use and other requirements. Use the information within the limitations only. Keep secrets. Don't violate other companies' rights.
- Acquire personal information belonging to employees, customers, or business partners in a legitimate manner only. Strictly control the acquired information. Use the information within the appropriate limitations to protect it.

Protection of intellectual properties

- Protect your intellectual property rights from infringement by third parties. Use care when treating them.
- Avoid violation of rights, including illegal acquisition or use of third parties' intellectual properties (patents, utility models, designs, and trademarks) and unauthorized duplication of software or books.

Compliance with competition law

- Avoid violation of competition law in each country, including private monopoly, unreasonable restraint of trade (cartel or bid-rigging), unfair trade practices, and abuse of preferred positions.

Export transaction control

- Determine whether or not exported products or technologies are regulated items and prepare or provide required certificates according to export transaction control law.

Anti-corruption

- Make political contributions or donations according to the laws in each country to ensure transparent and fair relationships with government and administration.
- Prohibit wining and dining with, gift giving to, or bribery of customers, suppliers, or other business partners to obtain or maintain unreasonable profits or unfair preferential treatment.

(2) Human rights and labor

Elimination of discrimination

- In all employment processes, including recruitment, admission, promotion, compensation, right to education, empowerment, wage, employee welfare, disciplinary action, dismissal, and retirement, prohibit discrimination on the basis of race, ethnic group, nationality, religion, age, and gender that are deemed as individuality and protected by applicable law in each country.

Respect for human rights

- Don't permit any form of harassment in the workplace on the basis of race, ethnic group, nationality, religion, age, and gender that are deemed as individuality and protected by applicable law in each country.
- Don't permit verbal, visual, or physical actions to employees that may hinder achievement, degrade dignity, or cause threatening, hostile, or unpleasant working conditions. Consider these actions as harassment.
- Immediately report and investigate any complaints about harassment. Help employees report any harassment cases without fear of retaliation, threat, or offense.

Child labor

- Prohibit child labor.
- The age for employment must be the highest among the three: 15-years-old, the minimum age for employment prescribed by applicable law in each country, and the age at the completion of compulsory education in each country.
- Don't assign hazardous operations to employees under 18.
- Employ trainees or apprentices only within the limitations permitted by applicable law in each country.

Forced labor

- Prohibit forced labor.
- All labor must be voluntary. Never fail to assure employees are free to leave.
- Don't ask employees to give over their passports, public identification, or work permits as employment requirements.
- Always employ people legally.

Wages

- Pay salaries to employees by complying with each country's law of minimum wages, overtime, payroll deduction, piece rates, and benefits.
- Pay benefits prescribed in law, such as labor standards law or act.
- Give employees statements of salaries, benefits, employee welfare, and deduction in a timely and clear manner by complying with applicable law in each country.

Working hours

- Comply with applicable law in each country that prescribes employees working hours, including overtime.

Freedom of association

- Clearly state employees right to freedom of association or non-association according to applicable law in the countries where the business activities take place.
- Guarantee employees right to open and direct communication with management without fear of retaliation, threat, or offense.

Safe and healthy labor environment

- Ensure occupational safety and health first and prevent accidents and disaster to help all employees work free from anxiety.
- Help employees stay healthy through health promotion activities and disease prevention guidance in the workplace.

(3) Local and global communities

Environment

- Promote environmental conservation activities and build a structure for continuous improvement.
- Control and recycle environmental load substances.
- Develop environmental improvement activities to reduce CO₂ emissions and waste during business activities.
- Reduce CO₂ emissions and packing materials during the distribution process.
(For more information, see the Green Procurement Guideline.)

Responsible procurement of resources and raw materials

- We shall implement procurement activities, considering the effects on regional communities through usage of raw materials that may cause social problems, such as human rights issues and environmental issues (e.g. conflict minerals made in Democratic Republic of Congo*). Whenever there are any concerns about these effects, we shall take measures to avoid usage of these materials.

* Minerals produced in Democratic Republic of Congo and neighboring nations, where the proceeds of sales are used to fund armed groups in these regions

Contribution to earth

- To help a local community become wealthier, tackle its social challenges through social contribution activities backed up by cooperation with the community.

Information disclosure to stakeholders

- Disclose information on management, finance, environmental conservation, and social contribution, which is valuable to stakeholders, in a proper and timely manner. Maintain and develop sound relationships with stakeholders through open and fair communication.

Sharing CSR with Your Suppliers

- We would like you to convey your CSR policies and guidelines based on the above to your suppliers. We ask you to encourage them to establish the CSR policies and guidelines in their own companies.



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