

Corporate Social Responsibility Manual



LABOR HEALTH AND SAFETY ENVIRONMENTAL ETHICS MANAGEMENT SYSTEMS
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02_10_2023

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1.0 Our Social Responsibility

Future Electronics is a global leader in electronics distribution, recognized the world over for our comprehensive supply chain solutions, our custom-tailored engineering services and the most complete offering of passives, electromechanical and semiconductor products in the industry.

Since our founding in 1968, honesty, integrity and trust have been the foundation of Future Electronics' success. We are committed to conducting all our business activities according to the highest ethical standards. Every one of our customers, suppliers and employees knows that we will act in their best interest, with the highest degree of integrity and professionalism.

At Future Electronics, we believe that our employees are our most valuable resource. We know that our continued success and growth are dependent on the contribution of all our employees. Our workforce is made up of exceptionally talented, motivated and hardworking people, and we are dedicated to providing every employee with a safe work environment where everyone is treated with dignity and respect.

Today, Future Electronics has over 5,500 employees and operates in 170 offices in 44 countries around the world. It is of the utmost importance to us that we operate in full compliance with the laws and regulations of every country in which we do business. We take great pride in meeting all our legal and regulatory obligations to customers, suppliers, and governments.

To build on these longstanding ethical, legal and regulatory commitments, and to use our position to help advance the industry as a whole, Future Electronics has voluntarily adopted the Responsible Business Alliance (RBA) Code of Conduct, and we have asked all of our partners to follow suit.

This Corporate Social Responsibility manual serves as a guide for our decisions in every sphere of our activities and helps us uphold our commitment to ethical business practices.

Let's work together to ensure that Future Electronics continues to advance its position as an ethical business leader: for our customers, for our suppliers, and for one another.

Thank you,

Omar Baig

Chief Operating Officer

Future Electronics

2.0 Normative References

Responsible Business Alliance Code of Conduct:

- AS9120:2016** Quality Management Systems – Requirements for Aviation, Space and Defense Distributors
- ISO9001:2015** Quality Management Systems – Requirements
- ISO14001:2015** Environmental Management Systems – Requirements with Guidance for Use

3.0 Definitions and Acronyms

This section contains acronyms used by Future Electronics.

- AP** Asia Pacific
- CSR** Corporate Social Responsibility
- DC** Distribution Center
- EMEA** Europe, Middle East, Africa
- NA** North America
- QEST** Quality and Environmental Solutions Team
- QMS/EMS** Quality and Environmental Management System
- RBA** Responsible Business Alliance

4.0 Labor

4.1 Freely Chosen Employment

Future Electronics does not use any forced labor, involuntary or exploitative prison labor, slavery or trafficking of persons. There are no unreasonable restrictions on employees' freedom of movement in the office or work facility and there are no unreasonable restrictions on entering or exiting company-provided offices or facilities. Employees are provided with a written employment agreement prior to their start of employment. All employees are free to leave work at any time or terminate their employment upon providing the required notice. Future Electronics does not hold or otherwise destroy, conceal, confiscate or deny access to employees' own identity or immigration documents, such as government-issued identification, passports or work permits, unless such holdings are required by law. Future Electronics does not require its employees to pay for recruitment fees or other related fees for their employment.

4.2 Young Workers

Future Electronics does not use any child labor. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, state or province, whichever is greatest. Future Electronics respects and abides by all applicable laws in regard to employing workers who are minors. The use of legitimate workplace learning programs complies with all applicable laws and regulations. Employees under the age of 18 do not perform work that is likely to jeopardize their health or safety, including night shifts and overtime.

4.3 Working Hours

Future Electronics respects and abides by all applicable laws regarding the number of working hours and overtime. A workweek is not more than 60 hours per week, including overtime, except in emergency or unusual situations. Employees are allowed at least one day off every seven days.

4.0 Labor (continued)

4.4 Wages and Benefits

Compensation paid by Future Electronics to its employees comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with applicable laws, employees are compensated for overtime at pay rates greater than regular hourly rates. For each pay period, employees are provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for the work performed.

4.5 Humane Treatment

Future Electronics does not engage in nor does it tolerate any harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of its employees. Disciplinary policies and procedures in support of these requirements are clearly defined and communicated to the employees.

4.6 Non-Discrimination

It is Future Electronics' policy and practice to recruit, hire, compensate and promote employees on the basis of their qualifications and ability, without regard to race, national origin, ethnicity, religion, age, gender, pregnancy, marital status, sexual orientation, physical or mental disability or any other type of discrimination prohibited by applicable law. It is also the policy of Future Electronics to provide a work environment that is free from intimidation, hostility, unlawful discrimination, harassment and violence. Employees are provided with reasonable accommodation for religious practices and disabilities.

4.7 Freedom of Association

Future Electronics respects and abides by all applicable laws regarding the right of all employees to form and join unions of their own choosing, to bargain collectively and to engage in peaceful assembly, and also respects the right of employees to refrain from such activities. Employees can openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment.

5.0 Health and Safety

5.1 Occupational Safety

Future Electronics works to identify and assess all potential health and safety hazards, including chemical, electrical and other energy sources, fire, vehicles, and fall hazards, and to mitigate them by eliminating the hazard, substituting processes or materials, controlling through proper design, implementing engineering and administrative controls, preventative maintenance and safe work procedures, and providing ongoing occupational health and safety training.

Where hazards cannot be adequately controlled by these means, Future Electronics provides employees with appropriate and well-maintained personal protective equipment, and educational materials about the risks associated with these hazards.

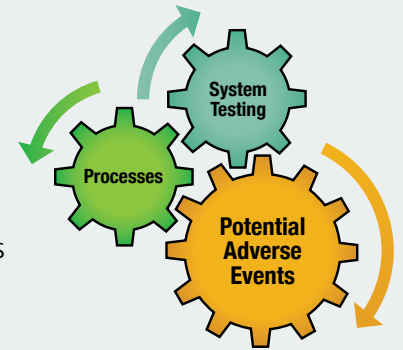
Future Electronics takes steps to remove pregnant women and nursing mothers from working conditions with higher hazards, to remove or reduce any workplace health and safety risks to pregnant women and nursing mothers, including those associated with their work assignments, and to provide reasonable accommodations for nursing mothers.

5.0 Health and Safety (continued)

5.2 Emergency Preparedness

Future Electronics maintains robust processes to identify potential adverse events that could impact our employees and operation. The emergency preparedness and response processes minimize harm to life, environment, and property.

Future Electronics facilities worldwide periodically test these processes to assure they are effective and performing as intended. The tests are reviewed, and actions taken when required.



5.3 Occupational Injury and Illness

Future Electronics maintains procedures and systems to prevent, manage, track and report occupational injury and illness, including provisions to encourage employee reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate the return of employees to work.

5.4 Industrial Hygiene

Future Electronics works to identify, evaluate, and control employees' exposure to any chemical, biological, and physical agents. When any potential hazards are identified, Future Electronics works to eliminate or reduce the potential hazards. When necessary, employees are provided with appropriate and well-maintained personal protective equipment free of charge. Future Electronics maintains ongoing protective programs which include educational materials about the risks associated with these hazards.

5.5 Physically Demanding Work

Future Electronics identifies, evaluates, and controls employee exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks.

5.6 Machine Safeguarding

Future Electronics regularly evaluates machinery for safety hazards. Physical guards, interlocks, and barriers are provided and properly maintained where machinery could present an injury hazard to employees.

5.7 Sanitation, Food and Housing

Future Electronics provides employees with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Housing provided by Future Electronics is maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting and heat and ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

5.0 Health and Safety (continued)

5.8 Health and Safety Communication

Future Electronics provides employees with appropriate workplace health and safety information and training in a language they can understand for all identified workplace hazards. Health and safety related information is clearly posted in the facility or placed in a location identifiable and accessible to employees. Training is provided to all employees prior to the beginning of work and regularly thereafter. Employees are encouraged to raise any health and safety concerns without fear of retaliation.

6.0 Environmental

6.1 Environmental Management System

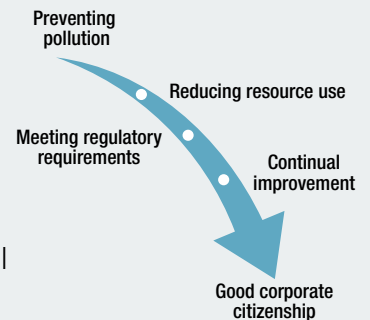
As a global distributor of electronic components, we acknowledge our legal responsibilities to help prevent pollution, to reduce waste and energy consumption, and to minimize the impact we have on the environment through our activities and services. Our Environmental Management System allows us to consistently control our impact on the environment, ensures compliance with environmental legislation and gives us the incentive to continually improve our business operations.

6.2 Environmental Permits and Reporting

Environmental legal, regulatory, and other requirements are identified and documented on the Environmental Aspects and Impacts Matrix. Periodic evaluation of environmental compliance to these requirements is performed to assure that obligations are met. Results of the evaluation are reported to Future Electronics' Executive Management during the annual Quality and Environmental Management System Review.

6.3 Pollution Prevention and Resource Reduction

Future Electronics recognizes its responsibility for protecting the environment, preventing pollution, and meeting regulatory and other requirements for environmental protection. We will work in partnership with Customers, Suppliers, Governments and Communities to understand environmental issues and support environmental improvement initiatives, and we will strive to minimize the environmental impact of our activities and facilities.



6.4 Hazardous Substances

Future Electronics identifies items considered hazardous by federal, state, provincial, and/or local regulations (for example WHMIS, COSHH, MoM, or OSHA regulations). These items have a Safety Data Sheet (SDS) from their manufacturer which is kept on file at the site where the substance is warehoused, used, and/or stored. The SDS defines safe handling, movement, storage, use, recycling and disposal of the substance, and it will be provided in each Customer shipment.

6.5 Solid Waste

Future Electronics' Corporate and Distribution Centers have processes in place to monitor the amount of solid waste generated by these facilities. Recycling and reuse programs have been developed to continually reduce the amount of solid waste sent to landfills.

6.0 Environmental (continued)

6.6 Air Emissions

Future Electronics' business operations are considered 'low relevance' in terms of environmental impact. Air emissions are limited primarily to HVAC systems and are monitored as required by legal and regulatory requirements.

6.7 Materials Restrictions

Future Electronics passes through material chemical content compliance information as available from original component manufacturers. As a distributor, Future Electronics cannot provide blanket certifications, agreements, test reports, or other chemical content details beyond the information provided by the original component manufacturer.

6.8 Water Management

Future Electronics facilities are considered 'low relevance'. As such, there is minimal wastewater from our facilities. Any regulatory requirements for wastewater control and/or reporting are managed at the site level. Sites may also monitor their water use with a goal of water conservation where possible.

6.9 Energy Consumption and Greenhouse Gas Emissions

Greenhouse gas emissions are tracked and documented for our Corporate Headquarters. Future Electronics looks for opportunities to reduce energy consumption and increase energy efficiency.

7.0 Ethics

7.1 Business Integrity

Future Electronics insists on the highest standards of integrity in its business interactions. All forms of bribery, corruption, extortion and embezzlement are strictly prohibited.

7.2 No Improper Advantage

Future Electronics prohibits bribes or other means of obtaining undue or improper advantage, and these cannot be promised, offered, authorized, given or accepted, either directly or indirectly.

7.3 Disclosure of Information

All business dealings of Future Electronics are accurately reflected in its business books and records. Falsification of records is strictly prohibited.

7.4 Intellectual Property

Intellectual property rights are respected by Future Electronics, and customer and supplier information is safeguarded.

7.5 Fair Business, Advertising, and Competition

Future Electronics respects and abides by applicable laws and regulations regarding standards of fair business, advertising and competition.

7.0 Ethics (continued)

7.6 Protection of Identity and Non-Retaliation

Future Electronics maintains programs that ensure the confidentiality, anonymity, and protection of supplier and employee whistle-blowers, except where prohibited by law, and employees are able to raise any concerns without fear of retaliation.

7.7 Responsible Sourcing of Materials

Future Electronics has developed a comprehensive plan to provide customers with up-to-date certifications and declarations to support ever-changing worldwide chemical content reporting requirements.

Upon request, Future Electronics will pass through Conflict Mineral Compliance information as available from original component manufacturers. As a distributor, Future Electronics cannot provide blanket Conflict Mineral Compliance agreements, test reports, or conflict mineral content details beyond the information provided by the original component manufacturer. Future Electronics has communicated the need for conflict mineral compliance reporting to component manufacturers, and we have encouraged them to make this information available to supply chain members on their websites.

7.8 Privacy

Future Electronics is committed to protecting the reasonable privacy expectations of personal information provided to it regarding suppliers, customers, consumers and employees. The company respects and abides by applicable privacy and information security laws regarding the collection, storage, processing, transmission, and sharing of personal information.

8.0 Management Systems

8.1 Company Commitment

The Future Electronics Management Systems ensure that we are consistent in maintaining the highest standards as they relate to Quality, Environment, Health and Safety, and broader Corporate Social Responsibility issues.

Future Electronics Quality Policy, Environmental Policy, and Operating Principles are understood, implemented and maintained throughout the entire organization. These policies and principles are communicated to all employees in order to:

1. Create and sustain shared values of fairness and ethical behavior
2. Establish a culture of trust and integrity
3. Encourage commitment to protect the environment
4. Provide resources, training and authority to act with accountability
5. Inspire, encourage, and recognize each employee's contribution to the company.

8.2 Management Accountability and Responsibility

Future Electronics Management provides leadership and governance for all activities. This includes defining the strategic direction for the Company, responsibility and authority, and communication to assure safe, efficient and effective performance. Management reviews the status of the management systems on a regular basis.

8.0 Management Systems (continued)

8.3 Legal and Customer Requirements

Future Electronics reviews legal and other requirements. Significant environmental aspects and regulatory requirements are defined in the Aspects and Impacts Matrix and the Legal and Other Requirements Matrix. Legal and Other Requirements listed in the matrix are evaluated for compliance on a periodic basis.

8.4 Risk Assessment and Risk Management

Managing and controlling risk is key to any successful business. Future Electronics strives to manage and control risks and opportunities to maximize our positive environmental, ethical, social and economic impact. Risks and opportunities are reviewed to assure continued relevancy and to drive continual improvement.

8.5 Improvements Objectives

Future Electronics actively engages in planning which includes continual improvement that supports the business strategy. Objectives and targets at relevant functions are implemented to assure efficient and effective operations supporting social, environmental, and health and safety performance, and Corporate Social Responsibility initiatives.

8.6 Training

Future Electronics actively encourages its employees to further their knowledge and skills in areas related to their work. A comprehensive training program has been developed to ensure all employees are aware of the policies, procedures, and principles that support Future's Corporate Social Responsibility program.

8.7 Communication

Future Electronics maintains open lines of communication and communicates clear and accurate information about policies, practices, expectations, and performance to Customers, Suppliers, Employees, and other interested parties. Comprehensive internet and intranet sites facilitate sharing of information.

8.8 Worker Feedback, Participation and Grievance

Future Electronics maintains ongoing processes, including an effective grievance mechanism, to assess employees' understanding of and obtain feedback on or violations against practices and conditions covered by this Manual and to foster continuous improvement. Employees are provided with a safe environment to share grievances and feedback without fear of reprisal or retaliation.

8.9 Audits and Assessments

Internal audits are an integral part of our Quality, Environmental, and Corporate Social Responsibility Management Systems. In order to assess the effectiveness of our systems, internal CSR audits are performed on a periodic basis.

8.0 Management Systems (continued)

8.10 Corrective Action Process

Essential to any successful assessment is a way to correct any issues detected. The internal audit program allows for timely corrective and preventive action when needed.

8.11 Documentation and Records

Documents and records that are needed to ensure the effective planning, operation and control of processes required for CSR are maintained. Procedures are in place to assure confidentiality where required.

8.12 Supplier Responsibility

Future Electronics has developed policies and procedures which support the Reliable Business Alliance Code of Conduct, and we encourage our suppliers to review the RBA guidelines, consider their value to their businesses, and communicate their importance to their employees.

We Welcome Feedback

For all inquiries and questions - please send email to:
CSR@FutureElectronics.com

For more information - please visit www.FutureElectronics.com

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For any improvement suggestions related to the
Future Electronics Corporate Social Responsibility Manual please contact:

Jamie Singerman

Corporate VP Global Human Resources, Learning and Development and Marcom
Jamie.Singerman@FutureElectronics.com

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