



# RENCO ELECTRONICS, INC.

## Ethics and Social Responsibility Policy

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Renco Electronics, Inc. (Renco) is committed to conducting business with the highest level of integrity, in dealings with its customers, suppliers and all relationships. Renco has adopted policies from the Responsible Business Alliance Code of Conduct, formerly EICC, as its guidelines for maintaining an ethical, socially responsible business. The official RBA Code of Conduct, can be found on the following website <http://www.responsiblebusiness.org>.

Renco facilities will adhere to all applicable local and federal laws, in which the countries we do business in, along with internationally recognized standards or regulations, where our products may be used. The following policy applies:

### A. HUMAN RIGHTS and LABOR STANDARDS

- Forced Labor, Human Trafficking and Slavery

Renco will not engage in or support the use of any form of forced labor including; bonded, indentured, involuntary or exploitative prison, slavery, trafficked or any other forcible form. Renco will not participate in the recruitment, transportation, transfer, harboring or receipt of any persons by means of threat, force, or any form of coercion, abduction, fraud, deception and abuse of power. Renco does not withhold any form of employee identification, as a working condition. All work is voluntary and employees can resign from their positions at any time.

- Child Labor

Renco does not use or support child labor, as defined by and in compliance with applicable local and federal laws.

- Working Hours

Employee working hours will be in compliance with all applicable labor laws and regulations. This applies to normal and overtime working hours. Employees are offered/allowed at least one day off every seven days.

- Wages and Benefits

Renco will ensure compliance with the wage and compensation requirements of applicable labor laws where the facility is located. This includes minimum wages, maximum hours, overtime and other elements of compensation and employee benefits. Renco uses a system to verify and accurately record payroll, deductions, and the hours worked by authorized employees. Deductions from wages as a disciplinary measure, are not permitted.

- Humane Treatment

There is to be no harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion of workers; nor is there to be the threat of any such treatment.

- Non-Discrimination

Renco will not support unlawful discrimination of any form. Renco abides by Equal Employment Opportunity Commission regulations, along with further applicable local and federal regulations.

\*ITAR & EAR: Compliance with the DDTC International Traffic in Arms Regulations (ITAR), requires the use of only "U.S. Persons" defined under 22 CFR § 120.15, to handle and process such controlled technical data.

- Freedom of Association

Renco adheres to applicable laws regarding the right to affiliate with lawful organizations, without acts of interference from the employer. Employees shall be able to openly communicate and share ideas and concerns with management, regarding working conditions and management practices, without fear of discrimination, reprisal, intimidation or harassment.



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### B. HEALTH and SAFETY

OHSAS 18001 management system, influenced the following requirements. Renco is committed to continuous improvement of health and safety activities, and shall effectively carry out the principles of a safe workplace.

- Occupational Safety

Employees will be provided a safe workplace using design, training, protective personal gear and administrative controls and processes, to mitigate potential safety hazards.

- Emergency Preparedness

Renco has identified its potential emergency situations, and implemented a Disaster and Emergency Response Procedure (DERP) with training. Appropriate fire detection and suppression equipment are always available.

- Occupational Injury and Illness

Procedures and systems are expected to prevent, manage, track and report occupational injury and illness, including provisions to: encourage worker reporting; classify and record injury and illness cases; provide necessary medical treatment; investigate cases and implement corrective actions; and facilitate return of workers to work.

- Industrial Hygiene

Minimize employee exposure to identified chemicals and other agents, through training and proper controls. Employees are provided well maintained, personal protective equipment, when exposed to such materials.

- Physically Demanding Work

Hazards of physically demanding tasks, including heavy or repetitive lifting, prolonged standing, or forceful assembly, will be evaluated and ergonomically designed, to reduce such hazards on the workers.

- Machine Safeguarding

Training and safeguards such as, physical guards, interlocks or barriers, will be used on equipment that present potential hazards to workers.

- Sanitation, Food, and Housing

Workers will be provided a regularly cleaned and sanitary environment, at the workplace and dormitories.

- Health and Safety Communication

Health and safety related information is clearly posted in the facility and placed in a location accessible by workers. Workers are trained regularly and encouraged to raise safety concerns.

### C. ENVIRONMENTAL

Renco is an electronic component manufacturer of primarily wire-wound inductors, coils and transformers, primarily made from combinations of insulated copper wire, ferrite, tape, and various plastic and polymer resins. Renco facilities will follow this policy, designed to minimize the negative impact on the environment.

- Environmental Permits and Reporting

Renco observes all applicable laws and maintains appropriate documentation, in which the countries we manufacture. International accords and regulations, where Renco's products may end up being sold or used, shall also be observed when the Customer specifies such requirements on purchase orders or contracts.

- Pollution Prevention and Resource Reduction

Reducing and preventing pollution starts at the source and makes its way through the supply chain. Renco strives to continually mitigate all pollutants, emissions and the use of known environmentally undesirable substances.



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- Hazardous Substances

Chemicals and other materials posing a hazard to humans or the environment will be identified, labelled and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.

- Solid Waste and Air Emissions

A systemic approach to identify, reduce, and responsibly dispose of or recycle, solid waste (non-hazardous). Air emissions of volatile nature, are to be in compliance with applicable legislation.

- Materials Restrictions

Renco adheres to applicable laws, regulations and customer requirements, regarding prohibition or restriction of specific substances in products and manufacturing. Industry standard regulations that define material restrictions such as, RoHS, REACH, CMRT and Prop 65, are acknowledged and monitored as standard operating procedure.

\*Renco manufactures RoHS compliant products as a standard practice; unless otherwise specified on a customer drawing and/or purchase order. This applies to customer applications that require Tin/Lead (Sn/Pb) solder.

- Water Management

Renco will abide by applicable local and federal regulations for wastewater.

- Energy Consumption and Greenhouse Gas Emissions

Renco will continually implement cost-effective methods to improve energy efficiency, and minimize energy consumption and greenhouse gas emissions.

### D. ETHICS AND BUSINESS CONDUCT

The founder of Renco implemented our moniker “*Quality, Integrity, Honesty*” many years ago. Conducting business in an ethical and proper manner, while remaining in compliance with applicable laws and regulations, is expected from all Renco personnel and agreed to upon employment.

- Business Integrity

The highest standards of integrity and all applicable laws, are to be upheld in all business interactions. Renco will strive to avoid conflicts of interest and prohibit all forms of bribery, corruption, extortion and embezzlement.

- No Improper Advantage

Bribes or other means of obtaining undue or improper advantage, are not to be promised, offered, authorized, given or accepted directly by Renco personnel, or indirectly through a third party.

- Disclosure of Information

Renco will disclose accurate business information to customers and suppliers upon request. Renco will not intentionally falsify or misrepresent themselves, in such information. Renco restricts disclosure of proprietary product information, along with its customer and supplier business information. Information will never be disclosed without authorization from the owner. Renco expects all parties, to protect its information as well.

- Intellectual Property

Renco employees will protect all company, customer and supplier proprietary and confidential property. Distribution of such information is not permitted, unless authorized or publicly available.

\*ITAR & EAR: Any technical data, which includes drawings, identified as ITAR or EAR controlled, may never be exported to non-US Persons or proscribed countries, and remain in compliance with all 22 CFR Subchapter M – International Traffic in Arms Regulations.



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- Fair Business, Advertising and Competition

Standards of fair business, advertising and competition, are to be upheld.

- Protection of Identity and Non-Retaliation

Renco ensures the confidentiality, anonymity and protection of employee or supplier whistleblowers, unless prohibited by law. Retaliation against those who raise concern is prohibited.

- Responsible Sourcing of Minerals

Renco proactively exercises due diligence on the source and chain of custody, for the following conflict minerals: Tantalum (Ta), Tin (Sn), Tungsten (W) and Gold (Au); to reasonably assure the procurement does not directly or indirectly originate from the Democratic Republic of Congo or an adjoining country. This is in accordance with U.S. Conflict Minerals Act, H.R. 4173, Section 1502.

\*Virtually all finished Renco products contain Tin (Sn). Renco is not required to report or file with the SEC. However in order to satisfy customer requirements, Renco has been flowing down Conflict Minerals Reporting requirements through its supply chain since 2011. Renco will continue to use and provide as a courtesy, the most current Responsible Minerals Initiative (RMI), Conflict Minerals Reporting Template (CMRT) version.

- Privacy

Renco shall commit to protecting the reasonable privacy expectations of personal information, of everyone we do business with. This includes customers, suppliers and employees. Compliance with privacy and information security laws, and regulatory requirements when personal information is collected & stored, is mandatory.

### E. MANAGEMENT SYSTEM

Renco will maintain a Quality Management System (QMS) in accordance with ISO9001 standards, at all times. Our Quality Manual FRM-MR-02, is always available for review on <https://www.rencousa.com>. Further recognized systems such as AS9100 have been considered for the future and may be pursued. Regardless, the following processes shall always be monitored, maintained, controlled and improved upon.

- Company Commitment
- Management Accountability and Responsibility
- Legal and Customer Requirements
- Risk Assessment and Risk Management
- Improvement Objectives
- Training
- Communication
- Worker Feedback, Participation and Grievance
- Audits and Assessments
- Corrective Action Process
- Documentation and Records
- Supplier Responsibility

Travis Rensing  
QA & Compliance Manager