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| **Trans-Tech Supplier Sustainability Specification** |
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1. Purpose and Scope
	1. Purpose

This specification establishes the minimum “Sustainability” requirements for suppliers covering the elements of:

* Environmental
* Health & Safety
* Ethics
* Labor
* Management Systems
* Climate change

This specification has been developed and deployed to:

* Communicate Sustainability requirements to our suppliers
* Promote sustainable business practices across our supply chain
* Provide our supply chain partners with useful information in building Sustainability programs
	1. Scope

This procedure applies to all Level 1 and 4 suppliers of Trans-tech RF Ceramics.

1. Acronyms / Terminology and Description / Definition

**Level 1/4 Suppliers:**

Refer to the Trans-tech Supplier Quality Manual – RFC-SOP-0002

**PEA**

Private employment agency

**Sustainability**

Sustainability is the demonstrated ability to meet the needs of the present without compromising the ability of future generations to meet their own needs. For the purposes of this specification, Sustainability covers the elements of:

* Environment
* Health & Safety
* Ethics
* Labor
* Management Systems
* Climate change
1. Associated Documents

The documents listed below contain requirements that become part of the contractual agreement between the supplier and Trans-tech. These documents are sent to the supplier at the start of product qualification per RFC-WI-0002 ‘Supplier Qualification and Monitoring’:

**Trans-tech Documents**

**RFC-SOP-0002** RF Ceramics Supplier Quality Manual

**RFC-F0003** Supplier Procurement Survey

**RFC-F0008** Supplier Environmental Survey

**RFC-WI-0005** RF Ceramics Green Procurement Supplier Specification

**National and International Standards**

**RBA (Responsible Business Alliance)** A voluntary industry coalition for corporate social responsibility in global supply chains

**ISO 14001** Environmental management systems - Requirements with guidance for use

**IFC** International Fire Code; as published by the International Code Council (ICC)

1. Supplier Requirements

Trans-tech Sustainability Programs are developed and implemented to provide a structure for sustainable business practices in the areas of Environmental, Health & Safety, Ethics, Labor, Management Systems and Climate Change. Our supply chain plays a big part in our Sustainability initiatives. We believe in making great products, responsibly, and our Sustainable business practices help to enable this.

Suppliers are responsible to the provisions as prescribed within this specification. Where there is a difference between regulatory requirements, referenced Codes / Standards, and supplemental Trans-tech requirements specified herein, the more stringent shall apply.

We encourage you to contact us with any questions you may have regarding this specification. It is our intent to partner with our supply chain to foster sustainable business practices across the industry. Refer to section 5.0 – Contacts, for more information.

* 1. Trans-tech Sustainability Policy

This manual is designed in conformance to the Trans-techs’ Sustainability Policy:

*Trans-tech is committed to operating under Sustainable Business Practices that meet today’s needs without compromising the ability of future generations to meet their own. We employ a management system approach to:*

* *Comply with applicable laws, regulations and requirements*
* *Prevent pollution, conserve resources and minimize waste*
* *Cultivate safe, healthy and production work environments*
* *Operate with integrity, honesty and accountability*
* *Foster continuous improvement*
* *Promote Sustainability throughout our supply chain*
	1. Regulatory Requirements

Trans-tech requires that its suppliers maintain Sustainability programs in compliance with all applicable regulatory and legal requirements as they apply to the location of each facility. This includes the areas of Environmental, Health & Safety, Ethics, and Labor.

* 1. Responsible Business Alliance (RBA)

Trans-tech requires that its suppliers maintain Sustainability programs aligned with the requirements of the **RBA (Responsible Business Alliance)**. The alliance, formerly the Electronic Industry Citizenship Coalition (EICC), is a nonprofit coalition of leading companies dedicated to improving social, environmental and ethical conditions in their global supply chains. For ease of reference, the current version of the Code has been imbedded in this document in section 4.5. You can also access the code, including available translations to languages other than English, via the RBA website at: <http://www.responsiblebusiness.org/standards/code-of-conduct/>

* 1. Supplier Requirements
		1. Product Compliance

Level 1 suppliers of materials used in Trans-techs’ finished goods are required to conform to the Substance Restriction specification per Green Procurement Supplier Specification – RFC-WI-0005 by completing the Supplier Environment Survey – RFC-F0008, or page ‘Supplier Env Survey’ on Supplier Procurement Survey - RFC-F0003. If requested by Trans-tech, suppliers must provide evidence showing the source of all materials content. Supplier systems must be capable of supporting the following:

* An established process for materials evaluation of all materials supplied to you (as a supplier to Trans-tech) for confirmation of materials content. This includes a supplier survey process and/or a laboratory analytical process.
* An established process for physical analysis of the finished good being supplied to Trans-tech
* An established process to verify and confirm conformance to all applicable regulatory requirements such as EU RoHS, China RoHS, REACH, etc…
* An established process for proper marking of products and packaging to avoid mixing of compliant and non-compliant parts
	+ 1. Supplier Management System Requirements

Trans-tech requires its suppliers to establish and maintain documented management systems for the Sustainability elements of ethics, labor, health & safety, and the environment. These systems should be aligned with recognized standards as follows:

* Sustainability: RBA (Responsible Business Alliance) - refer to section 4.5
* Environmental: ISO 14001

Suppliers shall ensure all Sustainability programs are properly communicated to employees and specific training is implemented and documented for those persons for whom it is required.

Suppliers shall consider climate change with respect to local environment, business requirements, and sustainability. Trans-Tech suggests the main focus of the suppliers contribution to environmental stewardship shall focus on:

• Minimizing electrical usage

• Eliminating or minimizing waste water

• Prevention of pollution

• Reclaiming & recycling processed and waste materials

* + 1. Conflict Minerals

Many industries, including the semiconductor and electronics industries, utilize tin, tantalum, tungsten (also known as the 3Ts), and gold in their products and manufacturing processes. Gold and the minerals used to produce tin, tantalum and tungsten are mined throughout the world, including in central and southern Africa. The operators of some mines extracting these minerals in central and southern Africa, particularly in The Democratic Republic of Congo (DRC) and the countries sharing an internationally recognized border with the DRC (the Covered Countries), are known to have inflicted rampant human rights abuses on the population of The Democratic Republic of Congo and adjoining countries and to have used the proceeds from the trade in these minerals to engage in violent conflicts in the DRC and its surrounding areas.

In 2010, the United States federal government enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act which, among other things, contained a section addressing the humanitarian goal of ending the violent conflict and human rights abuses in the DRC and surrounding areas which are being funded by the exploitation and trade of “conflict minerals” mined in that region. As required by Section 1502 of the Dodd-Frank Act, a final rule has been adopted by the United States Securities and Exchange Commission (SEC) which requires, beginning on or before May 31, 2014, all publicly reporting companies for which conflict minerals are “necessary to the functionality or production” of products they manufacture or contract to manufacture to make disclosures about their use of “conflict minerals” in their products and manufacturing processes. “Conflict minerals,” as defined in the final rule, include cassiterite, columbite-tantalite and wolframite (and their derivatives, tin, tantalum and tungsten), gold and any other mineral or its derivatives determined by the Secretary of State to be funding conflict in the Covered Countries.

**Trans-tech is committed to the responsible sourcing of minerals. We have established programs aligned with the internationally recognized OECD due diligence framework1 to regularly evaluate our supply chain and require our suppliers to do the same. Suppliers are prohibited from supplying Trans-tech with materials known to be derived from the DRC or adjoining countries that have not been confirmed as “DRC Conflict-Free” via a recognized and credible third party process such as the Conflict Free Sourcing Initiative’s Conflict Free Smelter Program (CFSP).**

1. “OECD due diligence framework” refers to the Organization for Economic Co-Operation and Development’s guidance titled “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.”

These provisions apply to all Trans-tech suppliers providing us the above listed metals, either directly, or contained within components or other materials.

Suppliers must work towards getting 100% of their conflict minerals supply from CFS (or equivalent) program certified smelters. **At this time, Trans-tech is requiring ALL supply chain smelters to be on the CFS list of audited smelters (conflict-free**) **or active smelters (meaning in the audit process).** Lists for both CFS audited and active smelters can be found at: <http://www.conflictfreesourcing.org/> . Smelters not CFS audited or active shall be removed from the supply chain. Note: For gold, the LBMA (London Bullion Market Association) process is considered an approved audit process equivalent to CFS. Facilities that are LBMA compliant are included in the CFS list on the CFSI website.

In support of Trans-techs’ Conflict Minerals policy, suppliers are required the following:

* A policy in place that includes a commitment to DRC Conflict-Free sourcing
* A system by which their supply chain is evaluated and monitored, designed and operated in accordance to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance)
* Identification of 100% of the suppliers of 3TG in their supply chain, as well as identification of 100% of the associated smelters / refiners from which the materials are sourced
* A supply chain comprised smelters / refiners that are all (100%) CFSI Conflict-Free (Compliant) or Active (actively engaged in the CFSI audit program and listed on a CFSI Active list). Refer to the CFSI smelter lists at: <http://www.conflictfreesourcing.org/>
* Complete and return to Trans-tech upon request an up-to-date Conflict Minerals Reporting Template (CMRT), identifying ALL smelters and their countries of origin, and satisfying all of the above referenced requirements
	+ 1. Freely Chosen Employment (Slavery and Human Trafficking Prevention)

As a member of the RBA (Responsible Business Alliance) we are committed to environmental and social responsibility. Since 2004, the RBA has promoted a Code of Conduct which prohibits the use of forced, bonded, indentured labor or involuntary prison labor. We require our suppliers to comply with the Code and take seriously all forms of non-conformance.

In addition to our work as a member of the RBA, Trans-tech has internal policies and practices that are based on the Code and international labor and human rights standards. We partner with our supply chain to create an environment where workers have the right to freely choose employment, the right to associate freely, voluntarily join or not join labor unions and worker councils, and the right to bargain collectively if they choose.

In support of this policy, Trans-tech (both Trans-tech directly and all our supply chain partners) requires compliance to all labor and ethics laws as applicable to the country where work is being performed. Direct suppliers of materials incorporated into Trans-tech finished goods (our products) certify that those materials comply with the laws regarding slavery and human trafficking of the country or countries in which the supplier(s) is doing business (refer to sec. 4.4.1 – Product Compliance). We further prohibit the use of human trafficking or slavery, including involuntary or bonded labor, or indentured servitude.

* + 1. Supplier Self-Assessment

Trans-tech requires suppliers of ***Level 1 materials*** to complete a supplier risk assessment. Suppliers receive from Trans-tech form RFC-F0003 – “Supplier Procurement Survey.” The form contains a tab titled “Sustainability.” Suppliers are required to complete this tab by responding to the questions and returning the completed form to Trans-tech.

* + - 1. Self-Assessment Scoring

Suppliers are required to achieve an overall risk ranking score (see ‘Sustainability Survey’ tab of RFC-F0003) of “Medium” or “Low” risk to be approved. Suppliers scoring a ranking of “High Risk” are considered unacceptable and will not receive an approved supplier profile in the Trans-tech system (according to Trans-tech Supplier Qualification requirements as detailed in RFC-WI-0002). Those scoring a risk ranking of “High Risk” are informed of their status by Trans-tech. It is the supplier’s responsibility to take the necessary actions to improve their Sustainability programs in order to improve their survey score ranking. All suppliers are subject to audit at the discretion of Trans-tech.

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| **Risk Category** | **Status** |
| **Low Risk** | Approved – Subject to audit as needed |
| **Medium Risk** | Approved – Subject to audit as needed.  |
| **High Risk** | NOT Approved – No supplier profile is created (Trans-tech system) and the supplier is not considered qualified for use. Supplier retains the responsibility to follow-up and resolve the issues (and provide an updated survey reflecting the changes) if they wish to become a qualified supplier. |

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RESPONSIBLE BUSINESS ALLIANCE CODE OF CONDUCT

The Responsible Business Alliance (RBA), formerly the Electronic Industry Citizenship Coalition (EICC), Code of Conduct establishes standards to ensure that working conditions in the electronics industry, or industries in which electronics are a key component, and its supply chains are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically.

RBA is a voluntary industry coalition for corporate social responsibility in global supply chains.

Trans Tech aligns with RBA supply chain standards but does not audit to RBA Codes.

Trans Tech shall comply with applicable laws, regulations and contractual agreements with customers and supplier’s requirements.

When conflict between RBA and applicable laws, regulations and contractual agreements exists, Trans-Tech shall follow applicable laws, regulations and contractual agreements.

*See the following link for the full code:*

https://www.responsiblebusiness.org/code-of-conduct/

1. Contacts

Trans-tech recognizes that Sustainability improvements can best be made with open communication and cooperation throughout the supply chain. Please contact us if you have any questions regarding these program requirements, the associated surveys, or Sustainability best practices.

* 1. Green Supplier Surveys

Dave Tolino – Environmental Compliance – david.tolino@trans-techinc.com

* 1. Sustainability Programs (Best Practices)

Dave Tolino – Global Sustainability - david.tolino@trans-techinc.com

* 1. General Supplier Requirements

Contact your Trans-tech Supplier Quality representative