Supplier Sustainability & Responsible Procurement Policy

Purpose

Based on Furukawa Electric Group and Furukawa AS Group general policies, American Furukawa, Inc. (AFI) is committed to conducting business responsibly and sustainably while creating long-term value for customers, associates, suppliers, shareholders, and communities.

AFI recognizes that a resilient and sustainable supply chain is essential to deliver quality products, support innovation, protect the environment, respect human rights, and ensure business continuity.

This Policy establishes AFI expectations for ethical business conduct, environmental stewardship, labor practices, occupational health and safety, cybersecurity, responsible sourcing, and supply chain resilience.

Scope

This Policy applies to all suppliers, contractors, consultants, service providers, logistics providers, subcontractors and business partners providing products or services to AFI. Suppliers are expected to communicate these principles throughout their own supply chains.

Procurement Principles

AFI procurement activities are based on partnership and trust, fair and objective supplier selection, and continuous supplier development in safety, quality, delivery, cost, technology, environmental performance, information security, business continuity and ESG management.

Management Commitment and Governance

Suppliers should establish management systems, assign accountabilities, monitor performance and drive continuous improvement while integrating ESG considerations into business planning.

Supplier Responsibilities

Suppliers shall comply with laws, maintain policies and records, support audits, report significant incidents, train employees and cascade requirements to sub-tier suppliers.

Human Rights and Labor Practices

Suppliers shall prohibit forced labor, child labor, discrimination, harassment and retaliation while supporting lawful wages, working hours, freedom of association and effective grievance mechanisms.

Health, Safety and Well-Being

Suppliers shall maintain safe working conditions, perform risk assessments, provide PPE, investigate incidents and promote employee well-being.

Environmental Sustainability and Green Procurement

Suppliers are encouraged to implement environmental management systems, reduce emissions, conserve resources, manage chemicals responsibly and protect biodiversity.

Quality Excellence and Product Safety

Suppliers shall maintain quality management systems, ensure product conformity, control changes, maintain traceability and pursue continuous quality improvement.

Ethics Compliance and Corporate Governance

Suppliers shall comply with anti-bribery, competition, trade compliance, confidentiality and data privacy requirements while maintaining accurate records.

Responsible Sourcing and Supply Chain Transparency

Suppliers shall perform due diligence regarding human rights, conflict minerals, environmental impacts and supply-chain risks.

Cybersecurity and Information Security

Suppliers shall perform due diligence regarding human rights, conflict minerals, environmental impacts and supply-chain risks.

Business Continuity and Supply Chain Resilience

Suppliers shall maintain tested continuity plans addressing natural disasters, pandemics, cyber incidents and supply disruptions.

Supplier Assessment and Performance Management

AFI may evaluate suppliers through audits, scorecards and sustainability assessments using SQDCTE and ESG criteria.

Corrective Actions and Continuous Improvement

Suppliers shall investigate root causes, implement corrective actions and continuously improve operational and sustainability performance.

Acknowledgement

By conducting business with AFI, suppliers acknowledge and support the principles contained in the Policy.