Modern Slavery and Human Trafficking Statement for the financial year 2021

This statement is produced in pursuance of the requirements of the *California Transparency in Supply Chains Act,* and the *UK Modern Slavery Act (2015).*

Company Description

Coilcraft is a privately held company founded in 1945 as a custom coil maker for the television set manufacturers clustered around the Chicago area. Today we produce inductors for a long list of customers in telecommunications, computers, instrumentation, and consumer electronics.

Coilcraft's headquarters are located in Cary, Illinois, with production centers spread out throughout the globe including China, Malaysia, Scotland, Vietnam, and others. Our global footprint comes with a responsibility to ensure our employees and those throughout our supply chain are treated fairly and with respect for their legal and social rights. It is with this in mind that Coilcraft built its Social Responsibility Program, the policies of which can be found here.

Coilcraft's Social Responsibility program is built around and compliant with the Responsible Business Alliance (RBA) code of conduct. The RBA is the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. The RBA's aim is to promote high standards of ethical practices in all areas of the business, including Slavery and Human Trafficking. Coilcraft aligned its policies, actions, and monitoring practices with those standards. We communicate these same commitments to Suppliers through a variety of channels, including the **Coilcraft Supplier Quality Manual**, which requires Suppliers to have a Social Responsibility management system compliant with the **Responsible Business Alliance** (RBA).

Supply Chain Verification Process

Our Supplier approval process includes a review of the following documentation:

- Supplier Social Responsibility Requirement Policy.
- Supplier assessment for Approved Supplier List.
- Corporate Social Responsibility Supplier Self-Audit.
- Responsible Minerals Initiative (RMI) Conflict Minerals Letter

All of which are based on the RBA Corporate Social Responsibility guiding principles and requirements.

Direct Suppliers are required to confirm they do not operate with forced, bonded, or involuntary prison, slavery, trafficking or illegal labor. Specifically within the self-audit they are required to confirm that the Supplier:

- "Works according to a documented and established policy of no forced, bonded, involuntary prison, slavery, trafficking or illegal labor"
- "Employees are free to leave their employment after reasonable notice"
- "Works according to a documented and established policy of no physical abuse or discipline, no threat of abuse, including sexual or verbal harassment or intimidation"
- "Complies with the legislated minimum age for employment in the country in which (it) operates"

- “Complies with all international, national, regional and other applicable laws and regulations that apply to the region in which (Coilcraft) operates”.
- “Implements training policies at all levels to ensure employees are aware of the legal and policy requirements.”

Corporate Purchasing and Corporate Quality teams are empowered to periodically evaluate and verify suppliers regarding labor, conduct, ethics, health and safety, environmental protection and management practices. Coilcraft utilizes responses from the Supplier Social Responsibility Self Audit, RMI Conflict Minerals Letter, and other criteria to determine the need, frequency, and scope of supplier audits.

Accountability Standards

Our internal recruitment processes require stringent checks to ensure verification of applicants, including legitimate age and right to work. At times, third party employment services are used for sourcing and Coilcraft recognises the need for diligence and robust policies and practices. Third party employment services are required to complete a social responsibility self-audit and are subject to periodic audits which include a review of age verification process, non-discrimination selection process, employment notification requirements, and processes verifying freely chosen employment.

Coilcraft encourages and supports third party labor agencies to join in the implementation of its CSR standards and best practices. Coilcraft management has the responsibility to pass down its CSR policy requirements to those agencies. The Supplier self-audit also requires companies to verify if they are providing adequate information and training to all employees regarding relevant legal, regulatory and internal requirements that apply to their jobs.

Coilcraft has implemented programs and procedures to manage and minimize the risks associated with slavery and human trafficking throughout Coilcraft and in the supply chain. Coilcraft Employee Guidelines, Code of Conduct, Labor Policy, and Ethics Policy describe the ethical standards that must be observed by company management, employees and business units. Coilcraft’s Employee Guidelines state that any violations of those policies should be promptly reported to Coilcraft, and will be pursued through the disciplinary procedures.

Whistleblowing

Coilcraft maintains various avenues through which both Coilcraft and Supplier employees and business partners are able to raise questions or confidentially report concerns of alleged misconduct under the policies and programs described above. This includes a toll-free phone line and internet-based reporting facility, which is accessible worldwide, and available in multiple languages.

As part of the self-audit, Suppliers must certify that they have mechanisms in place that allow a Supplier’s employees to report concerns without fear of retaliation.

Training

Coilcraft provides a combination of face to face and online training to our employees on all CSR policies and procedures, including Coilcraft Code of Conduct and Labor to ensure all employees understand the importance of eradicating slavery and trafficking and conducting business in an ethical way. Those who have a direct responsibility for supply chain management are therefore better able to identify and mitigate any risks.

The training clearly details the obligations of Coilcraft employees under the RBA. Employees are

required to certify that they have completed this training. This certification forms part of the training record of each employee.

Summary

In 2021, there were no identified or reported cases of human trafficking or slavery at Coilcraft or its supply chain. Looking ahead, Coilcraft will continue to evaluate and monitor its supply chain as it relates to slavery and human trafficking, along with other elements of corporate social responsibility, to ensure it maintains appropriate controls against the mistreatment of employees within the organization and its stakeholders.



John Chuey
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