



## Corporate Social Responsibility

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## **Introduction**

When the name CUI Global appears in this document, it pertains to CUI Global, Inc. and all subsidiary entities.

### **Purpose and Aims**

The purpose of the policy is to make clear to all stakeholders what we mean by Corporate Social Responsibility (CSR) and how we propose to work towards achieving it. In implementing this policy we aim to:

- Behave responsibly and be an exemplar of good practice,
- Operate our business and its activities with respect and integrity at all times, ensuring we operate in a way that safeguards against unfair business practices, discrimination and environmental harm,
- Maintain a tradition within our organization that delivers commercial success whilst encouraging an exemplary attitude to health and safety, the highest standards of ethics, respect for our communities and protection of the environment we all share,
- Encourage the development of our greatest asset – Our staff, by providing a working environment that both encourages advancement and attracts the best and brightest in our industry,
- Promote diversity in the workplace and by ensuring a culture of educational investment, innovative application of resource and intelligent growth create challenging opportunities for everyone,

We recognize that good CSR embraces all aspects of sustainable development and the way we affect people through our business operations. We believe that a responsible approach to developing relationships between all our stakeholders and the communities they serve, global or local, is a vital part of delivering business success;

We will continually review our policies and business practices to encourage engagement with customers, suppliers and our business partners to promote the development and extension of our corporate ideals.

CUI Global Inc. has long embraced the values embodied in its own Mission Statement: integrity, respect, philanthropic dedication, courtesy, customer service and shareholder focus.

CUI Global will review this policy against relevant codes of corporate governance and international standards including the United Nations (UN) Universal Declaration of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the Guidelines for Multinational Enterprises established by the Organization for Economic Cooperation and Development (OECD), the Rio Declaration on Environment and Development and relevant International Law governing bribery and corruption.

The CUI Global Board of Directors supports the principles set out in this policy and is focused on translating it into a set of guidelines and standards that set a common approach for our managers and employees on the ground.

### **CSR Policy**

As a responsible member of the world community, with long enduring relationships with numerous companies, we believe that the long-term future of our business is best served by respecting the interests of all our stakeholders: employees, customers, contractors, suppliers and the wider global community. We look actively for opportunities to reduce our impact on the environment and to contribute to the wellbeing of those in communities less fortunate than ourselves. Our CSR policy sets out the principles we follow and the projects we have undertaken with a view to supporting our CSR ethos. Demonstrating our commitment to Corporate Social Responsibility is a

journey, in the course of which we aim to align our business values, purpose and strategy with the social and economic needs of our stakeholders, while embedding responsible and ethical business policies and practices into everything we do.

### **Context**

CSR is defined as the integration of business operations and values, whereby the interests of all stakeholders including investors, customers, employees, the community and the environment are reflected in the company's policies and actions.

We recognize the importance of its role in managing social, economic and environmental issues. CSR is the principal way CUI Global seeks to coordinate and manage practices to maximize positive social and economic contribution and minimize the environmental impacts of its business. Engagement with key clients, employees, community, environmental stakeholders, regulators, business partners, suppliers, and our shareholders is central to our approach to CSR.

We are committed to:

- Continuous improvement in our CSR strategy,
- Encouraging our business partners to strive for matching performance,
- Acting in a socially responsible way,
- Continually improving our performance and meeting all relevant legislation,
- Encouraging our staff to be mindful of the effect of their actions on any natural resource,

CUI Global divides CSR into four segments:

- Marketplace: How we work with our customers and suppliers,
- Workplace: Where we work, how we recruit and how we work with our staff,
- Environment: How we reduce our environmental impact,
- Community: How we engage with the community.

Our approach to social responsibility provides opportunities for our employees, focuses on their wellbeing and reflects our involvement in the economies, markets and communities in which we operate. CUI Global plays a crucial role in delivering social sustainability, economic regeneration and transformation by undertaking our work responsibly and by engaging in matters of local, national and global interest.

This Policy applies to all departments, operations, product lines and activities of CUI Global.

## **Objectives**

### **Roles and Responsibilities**

The Board of Directors will be accountable for CSR within CUI Global and for the coordination of CSR initiatives and activities within CUI Global.

Management will be responsible for ensuring that key strategic and operational decisions in their area take into account CSR considerations, supporting CSR initiatives and practices through role-modelling and the allocation of sufficient resources, raising the profile of CSR and overseeing that their area complies with this policy.

Staff will be responsible for behaving in a corporately responsible way, adhering to this policy and enabling CUI Global to make a positive social, economic and environmental contribution.

### **Marketplace**

We strongly believe that integrity in dealing with customers is a prerequisite for a successful and sustained business relationship.

The way in which we conduct ourselves within our marketplace has a significant influence upon the reputation of CUI Global and all its stakeholders. Our good reputation plays a vital part in maintaining the trust and confidence of our business partners and is one of the key components of our success.

The protection of this reputation is therefore of fundamental importance and we demand high ethical standards be maintained in the conduct of our business activities. Corruption, bribery and unfair or anti-competitive practices will not be tolerated and we will compete vigorously, honestly and in accordance with relevant competition laws and regulations.

CUI Global provides products and services to meet the needs of its clients, while having consideration for the impact on the natural environment and communities where we operate.

These principles of business conduct and business behavior apply to all our people and to ensure that they are propagated, maintained and encouraged we will support multilateral action aimed at achieving high common standards of business integrity and veracity.

We operate a highly effective and efficient organization, focused on meeting customer objectives. Our aim is to provide products and services which give fair value and consistent quality, reliability and safety in return for fair reward.

We operate policies of continual improvement, of both processes and the skills of our staff, to take best advantage of advances in technology. This safeguards our operations for the future, ensuring that we continue to add value to our customers' businesses.

This is underpinned by a consistent approach to the way we conduct our work. To cater for the wide variety of work we do, we aim for a balance between flexibility in the way we operate and tight control to consistently meet customer expectations.

We have clear and strong lines of communication which allow us to respond quickly and efficiently to customer and market requirements, and our customers receive a consistent service across geographies, industries and technology areas. Our sales effort and delivery capability are aligned in order to ensure that we can successfully and consistently deliver what we promise.

### **Suppliers**

As with our relationships with our other stakeholders, we aim to develop relationships and improve networking with business partners and suppliers based on mutual trust. We believe one of our major strengths is our approach to alliances and partnerships with suppliers.

Our clients appreciate our ability to offer, through partnership, the best combination of state-of-the-art technology and world class products which, when combined with CUI Global's established track record of strong customer relations, deep industry knowledge and practical experience is a vital component in the success of our organization and its stakeholders.

These core alliance strategies and our proven capacity to implement and deliver value-added global solutions ensures we can offer process critical solutions on time and within budget.

To ensure we meet these goals it is vital that we propagate a range of suppliers who can offer the components we need in a reliable, quality orientated and fiscally sound manner. CUI Global operates a partnership approach to supply chain relations ensuring that payments are made promptly, supplier complaints are reviewed, and that we use fair and transparent procurement methods.

Furthermore, CUI Global will use its position in the marketplace to raise awareness of CSR with all our suppliers and help facilitate change to minimize impact on the natural environment and communities where we operate.

### **Ethical Purchasing Policy**

We purchase a wide range of goods and services required in the operation of our business and we also rely heavily on a number of key suppliers for the delivery of our core services. Good working relationships with our suppliers are therefore central to the success of our business. For this reason, we clearly state our purchasing policy as part of ensuring that our business standards are integrated throughout the supply chain.

We are committed to obtaining and retaining competitive goods and services while at the same time ensuring they are from sources which have not jeopardized human rights, safety or the environment.

We aim to develop strong relationships with our suppliers, based on mutual trust, understanding and respect.

More specifically we expect our suppliers to:

- Adhere to business principles consistent with our own.
- Ensure that their products and services are produced and delivered to comply with all legislation relevant to their business.
- Seek to maintain continuous improvement in their supply chain relationship with us.
- Ensure they adopt and implement acceptable safety, environmental, product quality, product stewardship, labor, human rights, social and legal standards in line with our own code and to ensure these issues are acceptably managed within the supply chain for any products supplied to us.

We will seek to work with our key suppliers to:

- Develop long-term meaningful relations to the benefit of both parties.
- Improve the quality, environmental performance and sustainability of goods and services where this can be achieved to the benefit of both parties.

'When purchasing raw materials we will endeavor to obtain this from legal and sustainable sources, e.g.; Timber for civil construction activities will be from a managed and sustainable forest which is accredited by regional, state, county or national legislation.'

When purchasing goods or product that comes under the auspice of national or international 'Fair Trade Goods schemes' e.g. tea, coffee, fruit, we will endeavor to obtain said goods or product that is identified with a recognized 'Fair Trade' goods emblem or logo where reasonably practicable and when available.'

### **Conflict Minerals**

CUI Global is a signatory to Section 1502 of the 2012 Dodd-Frank Act regarding the use of 'conflict minerals' (Tin, Tungsten, Tantalum and Gold – known as 3TGs) from the Democratic Republic of the Congo. 3TGs originate in multiple locations around the world including the Democratic Republic of the Congo (DRC) and adjoining countries (collectively referred to as the "Covered Countries"). In the DRC, some of the sources of the 3TGs are controlled by armed groups that have conducted severe human rights violations.

CUI Global, Inc. is committed to ethical business practices and the protection of basic human rights. We expect all of its suppliers to have policies and procedures in place to ensure that any 3TGs used in the production of the products sold to CUI Global companies are DRC conflict-free. This means that the products must not contain 3TGs that directly or indirectly finance or benefit

armed groups in the Covered Countries. CUI Global and its subsidiary companies are actively working with its supply chain to do a Reasonable Country of Origin Inquiry (RCOI) while exercising due diligence by following the OECD Due Diligence Guidance.

### **Our Workplace**

Our objective is that CUI Global becomes an employer of choice.

- We will treat people well, facilitate a great working environment, train and encourage them, recruit diversely and fairly provide stimulating career opportunities in order to attract and retain the very best people.
- We will ensure that the management of our organization act as role models and mentors - because to make a difference our values must be translated beyond this document and our other business practices into behavior from the ground up.
- Be accident free - because we value everyone working directly or indirectly for CUI Global and will not put anyone at undue risk.
- Delight our customers - because we want our customers not only to trust and rely on us but also to enjoy working with us and be impressed at what we can do for them.

### **Realizing Potential**

Developing our capability, delivering value to our customers on a global basis and securing long-term profitable growth is founded on releasing the potential of our employees. It is linked to the transfer, exchange and creation of knowledge within our organization and contributes to the on-going innovation of CUI Global's products, services and processes globally.

CUI Global's values are based upon a number of important principles and capture qualities that each employee is encouraged to embody as an essential part of our success:

- Expertise to assure quality and drive innovation.
- Listen and learn from each other – champion continuous improvement - Think and act as a team.
- Be accountable – keep commitments and be a trusted partner.
- Customer focus to share our vision; share our passion.
- Strive for our customer's profitability and satisfaction.
- Deliver results and celebrate success

### **Meritocracy**

As a company we embrace diversity and respect for different cultures and local requirements. Employees of both genders, from different nations, cultures, ethnic groups, generations and backgrounds contribute their skills and different perspectives to improving our solutions and delivering to our customers.

It is a cornerstone of our ethos that CUI Global is a meritocracy, where all employees are recognized and rewarded on the basis of their performance, effort, contribution and achievements.

The company's performance management and personal development processes are undertaken throughout all of the departments within CUI Global and are based on the following principles:

That ALL employees have a clear understanding of how they contribute to the business and have clear personal objectives, aligned to the business strategy and objectives this will be combined with training and planning to support personal growth. CUI Global;

- Will provide a workplace in which diversity is valued and there are equal opportunities.
- Provide a mechanism by which employees can raise their views and be engaged in change and issues that affect the company.
- Guarantee a safe and secure workplace which is conducive to the health and welfare of employees.

- Support employees with learning and development opportunities to help them reach their potential and maximize their contribution to CUI Global's strategy.
- Recognize and reward individuals on the basis of their own performance and that of the company. We will appraise performance on both the results that were achieved and how they were achieved.

### **Human Rights**

CUI Global supports the principles of the United Nations Universal Declaration of Human Rights and the International Labor Organization Declaration on Fundamental Principles and Rights at Work. We will adhere to the following principles in respect of our staff.

a) We will treat all employees fairly and honestly, regardless of where they work. All staff will have agreed terms and conditions in accordance with local law or practice and will be given appropriate job skills training.

b) We will pay a fair wage reflecting local markets and conditions. We will always meet any national minimum wage.

c) Working hours shall not be excessive. They shall comply with industry guidelines and national standards where they exist.

d) We will not employ illegal child labor, forced or bonded labor, forced overtime or condone illegal child labor.

e) Employees have the rights of freedom of association and, where appropriate, collective bargaining.

f) We will negotiate in good faith with the properly elected representatives of our employees.

g) We will abide by the non-discrimination laws in every country where we operate.

h) We will not use or condone the use of corporal punishment, mental or physical coercion or verbal abuse. We have disciplinary procedures for any member of staff whose conduct falls below the required standard.

i) We have formal grievance procedures through which staff can raise personal and work-related issues.

j) All staff will be given reasonable access to bathroom and rest facilities.

### **Management and Review**

We will be judged by our actions. It is vital that our behavior matches the goals we have set out within this document, accordingly, our senior managers are expected to be ethical role models and exemplars of our goals, values and the standards of business conduct which we set for ourselves.

They are expected to ensure that all employees under their leadership receive guidance and supervision on our goals, values and principles especially when it appertains to our business conduct, behavior and legal compliance relative to their job roles.

As part of their annual appraisal employees are assessed against how they operate and behave in relation to our Values and these Principles and if shortcomings are identified that would impact upon an individual's ability to fulfil their job role this is addressed by encouragement, mentoring, training and improved supervision from their immediate managers.

## **Health and Safety**

CUI Global believes that a vigorous and constantly improving health and safety culture ensures all our operations are executed, at all times, by trained and competent personnel in such a way as to ensure the health, safety and welfare of all employees and all persons who may be affected by our activities.

We require high standards of health and safety understanding from our employees and contractors and are committed to monitoring our achievements and delivering a continually improving performance. CUI Global aims to comply with all relevant local legislation or regulations, and best practice guidelines recommended by national health and safety authorities. We also liaise with staff regarding our policies and practices so that we can continue to maintain a healthy, safe and enjoyable environment.

The prevention of all accidents involving personal injury or property damage is essential to the culture and operation of all CUI Global activities.

CUI Global is committed to ensuring, so far as is reasonably practicable, the health, safety and welfare of all of its employees at work and also the safety of customers and others.

This policy seeks continuous improvement and compliance with legislation, having proper regard to the protection of people, premises, property and the environment. It is based on the principles that:

- All injuries can be prevented
- The goal is zero injuries
- Safety is the responsibility of all employees
- Working safely is a condition of employment

The nine key safety principles with which all CUI Global employees are required to comply are:

- Do not endanger yourself or others.
- Report any hazardous condition or practice that may cause injury to people, property or the environment.
- Obey all rules, signs and instructions. If you do not understand speak to your manager before you start work.
- Keep your work area clean and tidy. Disorder causes accidents, wastes time, energy and materials.
- Wear protective clothing and equipment as required. Keep it in good condition, wear it correctly and ask for a replacement if it becomes damaged or unfit for use.
- All accidents, incidents and near misses must be reported to your manager. Seek immediate help and first aid (if necessary).
- Do not adjust modify or repair any piece of work equipment unless you are competent and authorized to do so.
- Use only the correct tools and equipment for the job.
- Check that they are in good condition before use and use them safely.
- Before lifting, assess the load and your capability to move it. Make sure you get help with any heavy or awkward items, and follow approved techniques.
- If you have any suggestions to improve safety in your workplace, tell your supervisor or manager.

This policy and associated implementation documentation will be publicized to all employees and will be reviewed on a regular basis to be updated or revalidated as appropriate.

## **Ethics**



At CUI Global we recognize and perform the obligations we have towards our people, investors, customers, suppliers, competitors and the community as a whole. We believe our reputation, together with the trust and confidence of those with whom we deal, to be one of our most valuable assets. In order to keep this reputation and trust, we demand and maintain the highest ethical standards in carrying out our business activities.

We conduct our business in line with our CUI Global's Code of Ethics.

No CUI Global employee or representative shall offer, give, seek or receive, either directly or indirectly, inducements or other improper advantages for business or financial gain and no employee may offer, give, seek or receive any gift or payment which is, or could be construed as, such. If an employee is in any doubt as to whether he or she may accept an offer, that employee should discuss the issue with his or her manager, Group Legal Director or General Counsel.

All of our employees are required to abide by these ethical standards, which are central to CUI Global's core values and approach to doing business. The protection of our reputation is of fundamental importance, and employees are to be made aware of the disciplinary implications of breaches of policy. This principal helps to uphold the reputation of our company and staff, and maintains customer confidence in CUI Global.

Our people are encouraged to promptly report any potentially illegal, improper and/or unethical conduct that they become aware of at their workplace or in connection with their work. We believe we have an environment that enables our people to raise genuine and legitimate concerns internally. However, in the event that our people believe their reporting to management may be inappropriate considering the circumstances, other channels for communicating such conduct are made available for all employees and provide the opportunity for concerns to be investigated and acted upon in order to effectively resolve the matter.

### **Conflicts of interest and Confidentiality**

(a) While CUI Global respects the privacy of its employees, all CUI Global employees are expected to avoid personal activities and financial interests, which could conflict with their responsibilities to CUI Global.

(b) CUI Global employees and consultants must not seek gain for themselves or others through misuse of their positions or company property.

(c) All actual and potential conflicts (including those arising from the activities or interests of close relatives or partners) should be disclosed to and discussed with an employee's manager.

(d) Information received by anyone in the course of his or her employment must not be used for personal gain or for any purpose other than that for which it was given.

(e) Where information is confidential, that confidentiality must be respected.

### **Environment**

The company believes that, by their nature, our operations have a minimal impact on the environment. However, we acknowledge that there are inevitable environmental impacts associated with daily operations. We aim to minimize any harmful effects and consider the development and implementation of environmental standards to achieve this to be of great importance. As such, we strongly encourage the internationally established 3 R's: Reduce, Re-use, and Recycle.

In the course of our operations we seek to identify opportunities to reduce consumption of energy, water and other natural resources. We also strive to re-use and recycle where possible and dispose of non-recyclable items responsibly, thereby minimizing our impact on the environment.

Our policy is to strive to achieve continual improvement in environmental performance. We are committed to:

- preventing pollution and reducing the overall impact of our operations on the environment.
- maintaining an internal management structure for the management of environmental issues which includes clearly defined responsibilities for environmental management capable of delivering this policy commitment.
- complying with, and where possible exceeding applicable legal and other requirements relating to the organization.
- monitoring our environmental performance and setting objectives and targets for improvement.
- providing appropriate training and awareness programs for our staff. We recognize the key role we have to play in both reducing and contributing to greenhouse gas emissions from the surface transport sector. Our commitment in this area is set out in our Climate Change Policy.

It is anticipated that by adopting simple, environmentally friendly initiatives, the company will raise awareness amongst stakeholders and the wider community:

CUI Global will seek to minimize its energy, water and paper usage, through design, infrastructure and behavior.

CUI Global will seek to optimize the recycling of waste through providing adequate facilities and behavior, and limit the use of hazardous material.

CUI Global will seek to reduce unnecessary travel and encourage the use of alternative means of communication where practicable.

CUI Global will incorporate environmental considerations into procurement decisions and raise awareness/influence our supply chain to facilitate a reduction in their environment impact.

### **Climate Change Policy**

Notwithstanding that there is no empirical proof of climate change relating to greenhouse emissions, CUI Global is committed to taking action to reduce greenhouse emissions. We recognize that our operations have the potential to emit greenhouse gases. We recognize that we have a role in supporting governments and communities to reduce the impacts of greenhouse emissions helping to reduce air pollution. We are committed to reducing the greenhouse gas emissions from our operations in a way which supports national government strategies and in line with our commitment to our world community.

### **Community**

By investing in our local communities and going beyond our contractual obligations, we develop long term relationships and ensure that they benefit both socially and economically.

We value our standing in the communities from where we operate, contribute to the wider economy and support the regeneration of our communities by the investment of our money and time, hence, creating jobs, paying salaries and working with local suppliers.

We aim, where possible, to employ the majority of our staff from within the immediate vicinity of our premises, which in conjunction with a locally focused supply chain, ensures both reduced environmental impact and enrichment of our local community.

We work collaboratively with our clients, partners, neighbors and local businesses, because effectively engaging these key stakeholders helps maximize the positive impact that we have on local communities. By building these relationships it can help inform how we deliver our services for our clients and their customers, engender trust, promote good relations and enhance our clients' reputations.

### **Complaints**

Any employee who feels that he or she has grounds for complaint in relation to bullying, discrimination, harassment or victimization has the right to pursue the complaint through our Human Resource office. Customers who feel they have grounds for complaint may pursue these through our corporate officers or Audit Committee of our Board of Directors