# **Supply Chain and Human Rights**

#### GLP2030 Goals

Conducting a CSR procurement survey with at least ten suppliers during the three years and on a more global scale (mainly in Asia)

Deepening supplier understanding of Anritsu's CSR procurement initiatives through a three-year program, which provides procurement-related information and other useful knowledge

Raising the ratio of Anritsu-certified green suppliers and providing non-green suppliers with environmental education to cultivate an eco-friendly supply chain

## Basic Policy

Anritsu Group's procurement activities are international. In order to consistently provide high quality products for customers around the world, the Group must possess a flexible, internationally extensive management structure throughout the whole supply chain while also paying due consideration to ESG concerns. For this purpose, we believe it is critical to respond to the expectations and demands of society by building great relationships with suppliers and

## **CSR Procurement**

We believe in the importance of moving as one with the entire supply chain together with our suppliers in conducting procurement and of linking this activity to the mutual growth of all parties. With this conviction, we established our Basic Rules of Procurement in 2005 and have since asked our suppliers to comply with those rules in addition to the Anritsu Group CSR Procurement Guidelines and the Anritsu Group Global Green Procurement Specification. Through those rules and guidelines, we request cooperation from our suppliers as we construct a supply chain that respects human rights, gives due consideration to labor, health and safety, fair trade and ethics as well as the environment, and includes compliance with the UK Modern

# Supply Chain Due Diligence

#### **CSR Procurement Survey**

Before opening an account with a supplier, we review the supplier's credit standing, quality, and environmental management and inspect their factory. We also conduct a CSR procurement survey of our suppliers to confirm the status of their efforts to comply with our CSR Procurement Guidelines and take action as necessary. The survey asks self-assessment questions in such areas as human rights and labor issues, health and safety, the environment, fair trade and managing the supply chain seamlessly and comprehensively.

For more information about the Anritsu Group's supply chain management, please visit our website:

https://www.anritsu.com/en-us/about-anritsu/sustainability/ supply-chain-management

Slavery Act and Conflict Minerals Regulation (the final rule of Section 1502).

Anritsu's Global Procurement Operation Division not only conducts procurement operations but also develops and implements the Group's strategies for procurement, production outsourcing, and logistics under the leadership of the executive officer in charge of SCM. Anritsu maintains its flexible procurement system by collectively managing procurement and logistics activities conducted by its Group's and other worksites around the world and also by concentrating or decentralizing those activities in an optimal manner.

ethics, product quality and safety, and information security. Given the increasing importance of human rights across the supply chain in recent years, the survey also includes questions on prohibition of forced labor, prohibition of child labor, consideration for young workers, consideration for working hours, appropriate wages and benefits, prohibition of inhumane treatment, prohibition of discrimination, and freedom of association and the right to collective bargaining. In fiscal year 2020, we provided a Chinese version of the questionnaire, which had previously been available only in Japanese and English. In fiscal year 2021, we conducted a CSR procurement survey of 418 companies and received responses from 372 companies (response rate: 88.9%). We repeatedly remind those 46 companies that have not yet responded to do so, and we will include them in our priority CSR survey in fiscal year 2022.

We score the survey responses to visualize the level of commitment of our suppliers. In fiscal year 2021, the average score on questions about human rights was 26.97 out of 28 points.

We will continue to monitor the content and number of survey responses, response rate, and average response scores to ensure the effectiveness of our CSR procurement efforts.

#### **Conducting Due Diligence**

Our goal under GLP2023 (fiscal year 2021 to 2023) is to conduct due diligence on a cumulative total of at least ten companies. In fiscal year 2021, we conducted online audits on six suppliers in Japan, Germany and China, including those originally planned for fiscal year 2020 but postponed due to COVID-19, and we confirmed that none of them presented serious risks associated with human rights, labor, or health and safety. In addition, none of our suppliers has been found to be out of compliance according to our CSR procurement questionnaire surveys and onsite inspections that have been conducted to date.

# Modern Slavery Act

Focusing on human rights issues in particular in its supply chain, Anritsu remains in compliance with the UK Modern Slavery Act. ANRITSU CORPORATION and Anritsu EMEA Ltd. are legally obliged to disclose a statement to remain in conformity with the act, and both companies have uploaded the statement to their respective websites every year since 2016. Since 2020, the two have also disclosed a statement of compliance with the Australian Modern Slavery Act, enacted in 2018, to which they are subject. These statements contain the description of CSR questionnaire surveys conducted with suppliers, educational activities for suppliers, and education for Anritsu Group employees in and outside their respective countries.

In our activities to date, we have not identified any problematic practices or suppliers with respect to modern slavery.

## **I** BCP (Business Continuity Plan)

In fiscal year 2021, we activated the BCP on eight occasions. Despite the impact of the global shortage of semiconductors, coupled with the COVID-19 pandemic as well as natural disasters such as earthquakes and typhoons, we focused on minimizing the damage by closely communicating with suppliers, adjusting our production schedule, and switching to alternative parts. We will continue to enhance the database to raise our level of preparedness.

## **I** Human Rights

#### Structure

Human rights matters are deliberated on by the Corporate Ethics Promotion Committee, which is set up under the Board of Directors and the Management Strategy Conference and is chaired by the executive officer in charge of compliance and participated in by representatives of the Domestic Anritsu Group companies.

#### **Activities and Achievements**

In March 2006, Anritsu declared its support for and participation in the Ten Principles of the UN Global Compact (UNGC). Anritsu Group as a whole promotes initiatives that respect human rights alongside its sustainability-related activities. For the purpose of deepening understanding of the Anritsu Group Charter of Corporate Behavior and the Anritsu Group Code of Conduct, Anritsu Group employees are required to annually review the Anritsu Group Code of Conduct through an online program and submit a written confirmation of their intention to observe the code. In fiscal year 2021, written confirmation was submitted by 99.4% of employees in the Domestic Anritsu Group and 100% of those in Overseas Anritsu Group.

We use the responses to annual corporate ethics surveys to assess human rights risks and reduce them, which included optimizing working hours and eliminating all types of harassment in fiscal year 2021.