



Always reliable. Always ahead.

Communication on Progress of MEN Mikro Elektronik GmbH

United Nations Global Compact

MEN Mikro Elektronik GmbH

Neuwieder Straße 3-7

90411 Nürnberg

Germany

Phone +49 911 / 99 33 5 - 0

Fax +49 911 / 99 33 5 - 901

E-Mail info@men.de

www.men.de

September 01, 2015

"Our aim is to constantly improve and to provide the highest technology and innovation level, a most complete product offer and outstanding custom development and environmental qualification services according to industry standards.

Our business ethics in the daily conduct with customers, partners and employees is determined by the ten principles in the areas of human rights, labour, environment and anti-corruption of the UN Global Compact Initiative."

Manfred Schmitz (CEO)

Human Rights

- Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.
- Principle 2:** Businesses should make sure they are not complicit in human rights abuses.

Labour

- Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 4:** Businesses should uphold the elimination of all forms of forced and compulsory labour.
- Principle 5:** Businesses should uphold the effective abolition of child labour.
- Principle 6:** Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7:** Businesses should support a precautionary approach to environmental challenges.
- Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.
- Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

Human Rights

Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

We make an effort to show a maximum of fairness to our employees. In our daily work this means, for instance, that information for all employees is communicated in different ways in order not to exclude anyone, e.g. through announcements posted on bulletin boards, in addition to e-mails. Notwithstanding their different qualifications and functions within the company, all employees shall be equal as people. To even better express this basic principle, we have successfully introduced a printed employee magazine two years ago.

Principle 2:

Businesses should make sure they are not complicit in human rights abuses.

MEN develops and manufactures in Germany. Since the foundation of the company, MEN has not been accused of any human rights abuse.

Potentially new suppliers have to go through a defined process in order to get MEN's permission to become a supplier. This process of approval uses supplier self-assessments, supplier certificates, and audits performed by MEN, and tests the knowledge of the purchasing staff on each company and the market where it is active. If the information gathered in this process gives concrete hints on human rights abuses, the supplier is not acceptable for MEN, and all necessary measures are taken to prevent further cooperation.

Labour

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Because of its company size, MEN has not had any cause or obligation to create a works council up to now. For this reason, MEN has not taken any active steps in this direction. However, we are entirely open for ideas and suggestions from our employees. To make it easier for the employees to express their opinion and to find solutions for conflicts, we have named liaison officers for all areas of the company in the last six months.

Principle 4:

Businesses should uphold the elimination of all forms of forced and compulsory labour.

Working hours and wages are agreed upon by contract with the employee. The employees can determine their working hours according to the concept of flexible time. Every employee is paid for his/her working

hours. Flexible work time allows overtime compensation. If overtime was necessary, this is paid for by adding adequate premiums.

The monthly pay slip gives every employee an overview of each day's working hours and break times, exact to the minute. This allows the employees to check their pay slip to the minute, as well. If there are justified inconsistencies, the data is corrected as suggested by the employee.

As regards salary increases, MEN adheres to the proposals of IG Metall, a major German labour union, even if there is no legal obligation to do so.

Principle 5:

Businesses should uphold the effective abolition of child labour.

MEN sees child labour as an abuse of human rights. Therefore we apply the same basic principles to child labour than to human rights abuses.

Principle 6:

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

According to Principle 1 (human rights) and as explained above, we make an effort to absolutely treating our employees equally as people. The same is true for job offerings and finally when we select new employees. We put discriminating aspects such as gender, origin or handicaps to the background. The diversity of our staff proves this.

MEN supports a non-profit organization called Chancen e.V. Chancen e.V. takes care of the laundry and of the catering for customers at MEN. The non-profit organization has the purpose to create jobs for mentally ill people. Their work at Chancen e.V. is aimed at giving the mentally ill persons an opportunity to develop their abilities step by step, and in this way gaining more self-confidence and mental stability.

Environment

Principle 7:

Businesses should support a precautionary approach to environmental challenges.

To reduce environmental problems, MEN has an environmental management system that gathers key figures on material flow (input/output assessment) and energy consumption.

The environmental managers regularly present these key figures to the directors.

Principle 8:

Businesses should undertake initiatives to promote greater environmental responsibility.

Environmental management is a part of the company's ideas management and its Balanced Score Card (BSC). We are certified to ISO 14001 since 2003.

In September 2008, MEN has become a member of the B.A.U.M. (German Environmental Management Association), supports the diverse endeavors of B.A.U.M. for precautionary, integrated environmental protection through ideas and financing, and has committed itself to gradually putting the code for environmentally aware management developed by B.A.U.M. into practice. The so-called B.A.U.M. Code includes 10 rules of conduct, which we want to list here briefly (you can find the more detailed original list on the B.A.U.M. website under www.baumev.de).

1. Environmental protection is one of the primary goals of the company.
2. Environmental protection is a management task, leading to concrete goals and rules on all levels.
3. Environmental managers or environmental committees are named, provided with comprehensive information, and integrated in all decisions.
4. Environmental protection is an individual aspect within planning, control and monitoring systems.
5. Regular environmental reports to B.A.U.M.: weak points are recognized and improved; progress is documented.
6. Employees are informed, motivated and trained.
7. Research is used to lower the environmental impact of products and their production; economical use of raw materials, energy and water; taking the lifetime of products and their disposal into consideration.
8. Including the market: developing environmental standards with suppliers; giving advice to business partners; informing consumers.
9. Open dialog with all groups of society: informing the media, cooperating with associations and authorities.
10. Effective laws are regarded as minimum requirements: aiming at a higher level of environmental friendliness.

These rules of conduct reflect the extraordinary position of environmental protection in the company structure of B.A.U.M. members.

MEN was honored by B.A.U.M. in the "Büro & Umwelt" competition (Office & Environment) in 2008 and 2009 [MEN took a position among the best 10 companies in the category up to 500 employees.]. In 2010 MEN was honored through the second place and 2011 MEN was honored through the first place in the German "Büro & Umwelt" competition (Office & Environment).

Principle 9:

Businesses should encourage the development and diffusion of environmentally friendly technologies.

MEN is a founding member of the Ideen- und Innovationsmanagement e.V. in Nuremberg (Association for Ideas and Innovation Management). The Ideen- und Innovationsmanagement e.V. of the University of Erlangen-Nuremberg is an association of practitioners, scientists and students who have a common interest in innovative solutions for the areas of ideas and innovation management.

The association focuses on intensifying the relationship between practical innovation and the science of innovation as well as on promoting the transfer of knowledge. This transfer aims at coupling practical problems with solution approaches and know-how from research. The central element to do this is the approach of "best practice". Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

The employees have the possibility to turn to their superior, to the directors or to the liaison officer of each area with regard to issues like corruption or unethical behavior, including fraud and conflicts of interests and bribery. Additionally, they can also remain anonymous and use the mail boxes next to the notice boards to take a stand on such issues.

In employment contracts, it is also mentioned that corruption including extortion and corruptibility are not allowed.

MEN Mikro Elektronik – Profile and Mission

“Reliable Embedded Computing for a World in Motion.”

Since its founding in 1982, MEN Mikro Elektronik has focused on innovation, reliability and flexibility to develop and produce standard and custom computing solutions that employ the highest technology levels. The company provides a robust offering of highly reliable embedded COTS boards and devices widely used in extreme environmental conditions found in industrial and safety-critical applications.

- Safe computers and systems certifiable up to SIL 4 and DAL-A
- Flexible, configurable and robust box PCs
- Panel PCs for HMIs and digital signage
- Pre-configured built-to-order 19” systems
- Rugged CompactPCI boards and systems
- Network components in compact box format or half 19“ format
- Robust computer-on-modules for individual system designs

For individual requirements, starting with development through design-in and beyond, MEN provides its customers with advice and support as well as with system design, configuration and environmental qualification in accordance with industry standards.

The company’s core competencies encompass x86 and RISC processor architectures, development rules for safe applications, analog I/O design, FPGA technology and Windows, Linux and real-time operating systems. Additional expertise includes RAMS and obsolescence management as well as the development of computing hardware for operation in harsh and extreme environmental conditions. Development, production and on-site testing laboratories guarantee traceability and high-quality products.

MEN Mikro Elektronik’s computer solutions are used in harsh mission- and safety-critical environments found in the transportation (rail, road, air, sea) and industrial (automation, power & energy, medical) markets.

The company is certified to ISO 9001, ISO 14001 (environment), EN 9100 (aerospace) and IRIS (railway) quality management systems, provides systems according to ISO 7637-2 (road traffic) requirements and is a member of several industry associations, consortiums and alliances, including VITA and PICMG.