

Communication on Progress of MEN Mikro Elektronik GmbH



United Nations Global Compact

September 01, 2012

"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."

Udo Fuchs (CFO)

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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.

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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.

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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.

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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).

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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).

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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.

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MEN Mikro Elektronik – Profile and Mission

Since its foundation in 1982 our company designs and manufactures failure-safe computer boards and systems for extreme environmental conditions in industrial and safety-critical embedded applications.

With over 200 employees and subsidiaries in France and the USA we have an annual revenue of more than 40 million Euros with an export share of about 40%. Customized solutions make for more than half of our revenue. Starting with the development phase, through the design-in and beyond we are at our customer's disposal with advice and support. In addition the standard product range includes far more than 100 different computer boards with x86 and PowerPC technology with the corresponding BIOS, BSP and driver software, manifold I/O boards and completely configured systems based on:

- CompactPCI, CompactPCI PlusIO, CompactPCI Serial and VMEbus SBCs
- Inherently safe computer assemblies, certified according to DAL and SIL
- ESMexpress, ESMini and ESM Computer-On-Modules
- PMC, XMC and M-Modules as system-independent mezzanine I/O standards
- Box computers and display computers
- Network components, gateways and Ethernet switches

The consistent use of FPGA technology gives us high flexibility when configuring customized and standard products.

Our products are used worldwide as control, measuring, test or simulation computers in all kinds of embedded applications. These are extremely safety-critical mobile markets like railway, buses, agricultural machines, commercial vehicles, avionics and shipbuilding as well as other mission-critical applications in industrial automation and medical engineering. Computer systems in such applications are in operation up to 24 hours every day and often need to be available for 10 years and longer. Ideally no failures must occur to avoid costly downtimes of machines or danger to human life.

We are certified to EN 9100:2009 (aerospace), IRIS (railway), e1 (road traffic), ISO 9001:2008 (quality management) and ISO 14001:2005 (environmental management) in order to meet the severe quality requirements in critical applications and to offer our customers the highest quality in products and services while considering environmental protection and occupational safety on the basis of a recognized quality management system.

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