

SSMC Supplier Code of Conduct

1. Standards for Labor and Human Rights

Suppliers shall be committed to upholding the human rights of workers and to treating them with dignity and respect as understood by the international community. This applies to all workers, including temporary, migrant, student, contract, direct employees, and any other type of worker.

The labor standards are as follows:

1.1. Freely Chosen Employment and Prevention of Involuntary Labor and Human Trafficking

Suppliers shall not traffic in persons or use any form of slave, forced, bonded, indentured, or prison labor. This includes the transportation, harboring, recruitment, transfer, or receipt of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation.

All work must be voluntary and workers shall be free to leave work or terminate their employment with reasonable notice.

Workers must not be required to surrender any government-issued identification, passports, or work permits as a condition of employment.

Suppliers shall ensure that third party agencies providing workers are compliant with the provisions of the Code and the laws of the sending and receiving countries, whichever is more stringent in their protection of workers.

Suppliers shall ensure that contracts for both direct and contract workers clearly convey the conditions of employment in a language understood by the worker.

Where workers are required to pay a fee in connection with obtaining employment, Suppliers shall be responsible for payment of all fees and expenses. Such fees and expenses include, but are not limited to expenses associated with recruitment, processing, or placement of both direct and contract workers.

1.2. Child Labor Avoidance

Child labor is not allowed in any stage of manufacturing. The term “child” refers to any person under the age of 15, under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greater.

The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is supported.

Workers under the age of 18 shall not perform work that is likely to jeopardize the health or safety of young workers.

1.3. Working Hours

Work weeks are not to exceed the maximum set by local law. Further, a work week shall not be more than 60 hours per week, including overtime, except in emergency or unusual situations.

Workers shall be allowed at least one day off every seven days.

All overtime shall be voluntary.

1.4. Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours, and legally mandated benefits.

In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates.

Deductions from wages as a disciplinary measure shall not be permitted.

Suppliers shall offer vacation time, leave periods, and holidays consistent with applicable laws and regulations.

Suppliers shall pay workers in a timely manner and clearly convey the basis on which workers are being paid.

1.5. Humane Treatment

There is to be no harsh or inhumane treatment of workers including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse of workers; nor is there to be the threat of any such treatment.

Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

1.6. Non-Discrimination

Suppliers shall be committed to a workforce free of harassment and discrimination.

Companies shall not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership, or marital status in hiring or employment practices such as promotions, rewards, or access to training.

In addition, workers or potential workers shall not be subjected to medical tests that could be used in a discriminatory way.

1.7. Freedom of Association and Collective Bargaining

Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues.

The rights of workers to associate freely, join or not join labor unions, seek representation, or join workers' councils in accordance with local laws shall be respected.

Workers shall be able to openly communicate and share grievances with management regarding working conditions and management practices without fear of reprisal, intimidation, or harassment.

Supplier shall respect – within the framework of laws, regulations, and prevailing labor relations and employment practices – the right of its employees to be represented by labor unions and other employee organizations.

Supplier shall engage in negotiations, either on its' own behalf or through employers' associations, with a view to reaching agreement on employment conditions.

1.8. Diversity

Suppliers (agents or search companies) engaged by SSMC in recruiting employees for SSMC shall make every effort to present a diverse list of candidates for each position, without regard

to race, gender, age, or other factors unrelated to their ability to perform in the position. These Suppliers shall document their efforts and provide evidence to SSMC upon SSMC's request.

2. Standards for Health and Safety

Suppliers shall recognize that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, the consistency of production, and worker retention and morale.

Suppliers shall also recognize that ongoing worker input and education are essential to identifying and solving health and safety issues in the workplace.

The health and safety standards are as follows:

2.1. Occupational Safety

Worker exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, and fall hazards) is to be controlled through proper design, engineering and administrative controls, preventative maintenance, and safe work procedures (including lockout/tagout), and ongoing safety training. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment.

Workers shall not be disciplined for raising safety concerns, and shall have the right to refuse unsafe working conditions without fear of reprisal until management adequately addresses their concerns.

2.2. Emergency Preparedness

Suppliers shall ensure that potential emergency situations and events are identified and assessed, and their impact minimized, by implementing emergency plans and response procedures, including emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities, and recovery plans.

2.3. Occupational Injury and Illness

Suppliers shall ensure that procedures and systems are in place to prevent, manage, track, and report occupational injury and illness including provisions to encourage workers to report, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate return of workers to work.

2.4. Industrial Hygiene

Suppliers shall identify, evaluate, and control workers exposure to hazardous chemical, biological, and physical agents.

Suppliers must eliminate chemical hazards where possible. Where chemical hazards cannot be eliminated, Suppliers shall provide appropriate engineering controls such as closed systems and ventilation. Where appropriate engineering controls are not possible, Suppliers shall establish appropriate administrative controls such as safe work procedures.

In all cases, Suppliers shall provide workers with appropriate, well-maintained, personal protective equipment.

2.5. Physically Demanding Work

Suppliers shall identify, evaluate, and control workers exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged

standing and highly repetitive or forceful assembly tasks.

2.6. Machine Safeguarding

Production and other machinery shall be evaluated for safety hazards.

Physical guards, interlocks, and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

2.7. Sanitation, Food, and Housing

Workers are to be provided with ready access to clean toilet facilities, potable water, and sanitary food preparation, storage, and eating facilities.

Worker dormitories, provided by the Supplier or a labor agent, are to be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate heat and ventilation, together with reasonable personal space as well as reasonable entry and exit privileges.

2.8. Health and Safety Communication

In order to foster a safe work environment, Suppliers shall provide workers with appropriate workplace health and safety information and training, including clearly written health and safety information and warnings, in the primary language of the workers.

Suppliers shall post, in the primary language of its workers, Safety Data Sheets for any hazardous or toxic substances used in the workplace, and shall properly train workers who will come into contact with such substances in the workplace.

2.9. Worker Health and Safety Committees

Suppliers are encouraged to initiate and support worker health and safety committees to enhance ongoing health and safety education and to encourage worker input regarding health and safety issues in the workplace.

3. Standards for Environment

Suppliers shall recognize that environmental responsibility is integral to producing world class products. In manufacturing operations, adverse effects on the community, the environment, and natural resources are to be minimized while safeguarding the health and safety of the public.

The environmental standards are as follows:

3.1. Environmental Permits and Reporting

All required environmental permits, approvals, and registrations are to be obtained, maintained, and kept current, and their operational and reporting requirements are to be followed.

3.2. Pollution Prevention and Resource Reduction

Suppliers must endeavor to reduce or eliminate solid waste, wastewater, and air emissions -- including energy-related indirect air emissions -- by implementing appropriate conservation measures in their production, maintenance, and facilities processes, and by recycling, reusing, or substituting materials.

3.3. Hazardous Substances

Chemicals and other materials posing a hazard if released to the environment are to be

identified and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal.

3.4. Wastewater and Solid Waste

Supplier shall ensure that wastewater and solid waste generated from operations, industrial processes, and sanitation facilities are characterized, monitored, controlled, and treated as required by applicable laws and regulations prior to discharge or disposal.

Suppliers shall take appropriate precautions to prevent contamination of storm water runoff from their facilities.

3.5. Air Emissions

Suppliers shall ensure that air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone-depleting chemicals, and combustion by-products generated from operations are characterized, monitored, controlled, and treated as required by applicable laws and regulations prior to discharge.

3.6. Product Content Restrictions

Suppliers shall comply with any applicable law or regulation prohibiting or restricting the use or handling of specific substances.

To ensure safe handling, movement, storage, recycling, reuse, and disposal, Suppliers shall identify and manage substances that pose a hazard if released to the environment and shall comply with applicable labeling laws and regulations for recycling.

Additionally, Suppliers engaged in the manufacturing of materials that will be part of SSMC's end products and Suppliers engaged in the manufacturing of SSMC branded-products shall comply with the most recent version of List of SSMC Banned Materials with Restriction to Use (SOP 11114-9009).

Upon SSMC's request, the Supplier shall provide SSMC with full material content information and/or Safety Data Sheets.

SSMC requires Suppliers of product related materials to provide evidence of compliance with the European Union's Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS) at least once a year. Evidence is required in the form of test reports. These tests shall be executed according to the IEC62321 standard and performed by a third-party laboratory certified to ISO/IEC 17025. For selected material groups, additional evidence may be required, such as halogen content to show compliance to RoHS, Halogen-free and Antimony-free requirements or the EU packaging and packaging waste directive.

3.7. Certification

Suppliers engaged in the manufacture of materials that will be part of SSMC's end products and Suppliers engaged in the manufacture of SSMC-branded products shall have ISO14001 certification (or comparable), or a plan to become certified. Alternatively, Supplier must provide documented objective evidence of an operational environmental management system and demonstrate equivalency.

4. Standards for Business Ethics

Suppliers must be committed to the highest standards of ethical conduct when dealing with workers, suppliers, and customers.

4.1. Business Integrity

The highest standards of integrity are to be upheld in all business interactions.

Suppliers shall have a "zero tolerance" policy to prohibit any and all forms of bribery, corruption, extortion, or embezzlement (including promising, offering, giving, or accepting any bribes).

All business dealings shall be transparently performed and accurately reflected in Supplier's business books and records.

Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

4.2. No Improper Advantage

Bribes or other means of obtaining undue or improper advantage are not to be offered or accepted.

4.3. Disclosure of Information

Information regarding business activities, structure, financial situation, or performance is to be disclosed in accordance with applicable regulations and prevailing industry practices.

Falsification of records or misrepresentation of conditions or practices in the supply chain is unacceptable.

4.4. Intellectual Property

Intellectual property rights are to be respected, and the transfer of technology and know-how is to be done in a manner that protects intellectual property rights.

4.5. Fair Business, Advertising and Competition

Standards of fair business, advertising, and competition are to be upheld.

Appropriate means to safeguard customer information must be available.

4.6. Protection of Identity

Programs that ensure the confidentiality and protection of supplier and employee shall be maintained.

4.7. Responsible Sourcing of Minerals, Conflict Minerals

Suppliers shall have a policy to reasonably assure that the tantalum, tin, tungsten and gold (3TG minerals) in the products they manufacture does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of Congo or an adjoining country.

Suppliers shall exercise due-diligence on the source and chain of custody of these minerals and shall make their due-diligence measures available to SSMC upon SSMC's request.

4.8. Privacy

Suppliers shall be committed to protecting the reasonable privacy expectations for personal information of everyone they do business with, including suppliers, customers, consumers, and employees.

Suppliers are to comply with privacy and information security laws and regulatory requirements

when personal information is collected, stored, processed, transmitted, or shared.

4.9. Whistleblower Protection and Anonymous Complaints

Suppliers shall create programs to ensure the protection of Supplier and worker whistleblower confidentiality and shall prohibit retaliation against workers who participate in such programs in good faith or refuse an order that is in violation of the SSMC Supplier Code of Conduct.

Suppliers shall provide an anonymous complaint mechanism for workers to report workplace grievances in accordance with local laws and regulations.

Supplier shall have a formal communication program to ensure that every employee is fully informed of and understands the policy of non-retaliation.

5. Standards for Management System

Suppliers shall adopt or establish a management system that is related to the content of this Code. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations, and customer requirements related to the Supplier's operations and products; (b) conformance to this Code; and (c) identification and mitigation of operational risks related to this Code. It shall also facilitate continual improvement.

The management system shall contain the following elements:

5.1. Company Commitment

Suppliers shall have corporate social and environmental responsibility policy statements, affirming Supplier's commitment to compliance and continual improvement, and endorsed by executive management.

5.2. Management Accountability and Responsibility

Supplier shall clearly identify company representative[s] responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management system on a regular basis.

5.3. Legal and Customer Requirements

Suppliers shall have a process to identify, monitor, and understand applicable laws, regulations and customer requirements, including the requirements of this Code.

5.4. Risk Assessment and Risk Management

Suppliers shall have a process to identify the environmental, health and safety, and labor practice and ethics risks associated with Supplier's operations.

Supplier shall determine the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

5.5. Improvement Objectives

Suppliers shall have written performance objectives, targets, and implementation plans to improve the Supplier's social and environmental performance, including a periodic assessment of Supplier's performance in achieving those objectives.

5.6. Training

Suppliers shall have programs for training managers and workers to implement Supplier's policies, procedures, and improvement objectives, and to meet applicable legal and regulatory

requirements.

5.7. Communication

Suppliers shall have a process for communicating clear and accurate information about Supplier's policies, practices, expectations, and performance to workers, suppliers, and customers.

5.8. Worker Feedback and Participation

Suppliers shall have ongoing processes to assess employees' understanding of and to obtain feedback on practices and conditions covered by this Code and to foster continuous improvement.

5.9. Audits and Assessments

Suppliers shall perform periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code, and customer contractual requirements relating to social and environmental responsibility.

5.10. Corrective Action Process

Suppliers shall have a process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

5.11. Documentation and Records

Suppliers shall have and maintain documents and records to ensure regulatory compliance with and conformity to its requirements along with appropriate confidentiality to protect privacy.

5.12. Supplier Responsibility

Suppliers shall have a process to communicate SSMC Supplier Code of Conduct (or comparable) requirements to their own, next-tier suppliers and to monitor supplier compliance to the requirements.

6. Standards for Supply-Chain Risk Management

6.1. Geographical Location

Suppliers in the supply-chain shall have assessed their risk based on its factories' geographical location.

6.2. Natural Disaster Risk Management

Suppliers shall have in place a Business Continuity Plan, e.g. reciprocal help arrangements to support production demand, to minimize the impact of natural disaster (for e.g. earthquake, flood, water scarcity and etc).

6.3. Fire Risk Management

Suppliers shall establish a flammable substances management, loss prevention and fire protection plan.

6.4. Pandemic Preparedness

Suppliers shall have establish a corporate pandemic preparedness and response plan, e.g. employee pandemic awareness program, resources preparedness, case investigation, escalation and medical assistance, personal hygiene measures, such as hand cleaning, wearing of face mask, suppliers and visitors pandemic spread preventive measures, employee

sick leave contingency plan, waste disposal management and etc.

6.5. Transportation Risk Management

Suppliers shall review and audit their own or outsourcing company's transportation management.

Suppliers shall ensure that drivers transporting hazardous materials are competently trained in preventing and mitigating accidental releases.

6.6. Supply Chain Risk Management

Supplier shall manage their next-tiers suppliers' supply chain risk and review their business continuity plan.

6.7. Information Technology (IT) System Disruption Risk Management

For suppliers relying on IT system as major part of production, supplier shall ensure that remote backup facilities is available and the IT server room shall be equipped with disaster protection (for e.g. fire, flood and earthquake) in order to minimize the impact of such incidents.

6.8. Business Continuity Plan

Suppliers shall establish business continuity response and procedure for operation disruption due to probable disasters, e.g. fire, earthquake, hurricane, flood, hazardous substance leak/spill, power outage, shortage of utilities resources, product contamination, mass product return by customer, supply shortage of key raw materials, strike, intimidation or violence attack, infectious diseases outbreak, IT system disruption and etc., for continuation of business and to minimize the impact to SSMC.

References

The following standards were used in preparing this code and may be useful sources of additional information.

1. Electronic Industry Citizenship Coalition® (EICC®) Code of Conduct, version 4.0.
2. Recognized standards, such as the Universal Declaration of Human Rights (UDHR), standards issued by organizations such as the International Labour Organization (ILO), Social Accountability International (SAI), and the Ethical Trading Initiative (ETI), have been used as references in preparing this Code and may be useful sources of additional information.
 - 2.1. Dodd-Frank Wall Street Reform and Consumer Protection Act (<http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf>)
 - 2.2. Eco Management & Audit System (www.quality.co.uk/emas.htm)
 - 2.3. EICC and GeSI Extractives and Conflict Minerals Resources (www.eicc.info/Extractives.shtml)
 - 2.4. Electronic Industry Citizenship Coalition Code of Conduct (www.eicc.info/eicc_code.shtml)
 - 2.5. Ethical Trading Initiative (www.ethicaltrade.org/)
 - 2.6. ILO Code of Practice in Safety and Health (www.ilo.org/public/english/protection/safework/cops/english/download/e000013.pdf)
 - 2.7. ILO International Labor Standards (www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm)
 - 2.8. ISO 14001 (www.iso.org)
 - 2.9. National Fire Protection Agency (www.nfpa.org/catalog/home/AboutNFPA/index.asp)
 - 2.10. OECD Due Diligence Guidance (http://www.oecd.org/document/36/0,3746,en_2649_34889_44307940_1_1_1_1.00.html)
 - 2.11. OECD Guidelines for Multinational Enterprises (www.oecd.org)
 - 2.12. OHSAS 18001 (www.bsi-global.com/index.xalter)
 - 2.13. SA 8000 (www.cepaa.org)
 - 2.14. SAI (www.sa-intl.org)
3. List of SSMC Banned Materials with Restriction to Use
4. Applicable laws and regulations