

# 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

Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons shall not be used. This includes transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services.

There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities.

As part of the hiring process, workers must be provided with a written employment agreement in a language understood by the worker that contains a description of terms and conditions of employment prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms.

All work must be voluntary and workers shall be free to leave work at any time or terminate their employment.

Suppliers and agents may not hold or otherwise destroy, conceal, confiscate or deny access by employees to employees' identity or immigration documents, such as government-issued identification, passports or work permits, unless the holding of work permits is required by law.

Supplier 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 and Young Workers

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, including nightshift and overtime.

Suppliers shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable law and regulations.

Suppliers shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks.

### **1.3. Working Hours**

Studies of business practices clearly link worker strain to reduced productivity, increased turnover, and increased injury and illness.

Working hours 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. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed.

All use of temporary, dispatch and outsourced labor will be within the limits of the local law.

### **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 unlawful discrimination.

Companies shall not engage in discrimination based on race, colour, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training.

Workers shall be provided with reasonable accommodation for religious practices.

In addition, workers or potential workers should not be subjected to medical tests or physical exams 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 will 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 will 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., chemical, electrical and other energy sources, fire, vehicles, and fall hazards) are to be identified and assessed, controlled through proper design, engineering and administrative controls, preventative maintenance, and safe work procedures (including lockout/tag-out), 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 and educational materials about risks to them associated with these hazards.

Reasonable steps must also be taken to remove pregnant women/nursing mothers from working condition with high hazards, remove or reduce any workplace health and safety risks to pregnant women and nursing mothers including those associated with their work assignments, as well as include reasonable accommodations for nursing mothers.

### 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, clear and unobstructed egress adequate exit facilities, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment and property.

### 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 lighting, heat and ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space as well as reasonable entry and exit privileges.

## **2.8 Health and Safety Communication**

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 worker for all identified workplace hazards that workers are exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards.

Suppliers shall post health and safety related information in the facility or placed in a location identifiable and accessible by workers, in the primary language of its workers,

Training shall be provided to all workers prior to the beginning of work and regularly thereafter.

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.

## **2.9 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

Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance and facility processes; or by other means.

The use of natural resources, including water, fossil fuels, minerals and virgin forest products, is to be conserved or by practices such as modifying production, maintenance and facility processes, materials substitution

#### 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 Solid Waste

Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous).

#### 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 Materials Restrictions

Suppliers shall comply with any applicable law or regulation prohibiting or restricting the use or handling of specific substances in products and manufacturing, including labelling for recycling and disposal.

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 Water Management**

Suppliers shall implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination

All wastewater is to be characterized, monitored, controlled, and treated as required prior to discharge or disposal

Suppliers shall conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

### **3.8 Energy Consumption and Greenhouse Gas Emissions**

Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions are to be tracked and documented, at the facility and/or corporate level.

Suppliers are to look for cost-effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

### **3.9 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.

The Business Ethics standards are as follows:

### 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).

### 4.2 No Improper Advantage

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

This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage.

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

### 4.3 Disclosure of Information

All business dealings should be transparently performed and accurately reflected on Participant's business books and records.

Information regarding labour, health and safety, environmental practices, 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, and SSMC and supplier information is to be safeguarded.

### 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 and Non-Retaliation**

Programs that ensure the confidentiality, anonymity and protection of supplier and employee whistle-blowers shall be maintained, unless prohibited by law.

Suppliers shall have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

#### **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
- 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 and posted in the facility in a language[s] understood by all employees.

### 5.2 Management Accountability and Responsibility

Supplier shall clearly identify senior executive and 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 legal compliance, 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 implement 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 and Grievances

Suppliers shall have ongoing processes, including an effective grievance mechanism, to assess employees' understanding of and to obtain feedback on or violations against 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

8.5.2.11.1 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

8.5.2.12.1 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

The Supply-Chain Risk Management standards are as follows:

### 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 (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 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

Suppliers relying on IT system as a major part of production shall ensure that remote backup facilities are available.

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. Responsible Business Alliance (RBA), formerly Electronic Industry Citizenship Coalition® (EICC®) Code of Conduct
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 ([http://ec.europa.eu/environment/emas/index\\_en.htm](http://ec.europa.eu/environment/emas/index_en.htm))
  - 2.3. Responsible Minerals Initiative (RMI) (<http://www.responsiblemineralsinitiative.org/>)
  - 2.4. Responsible Business Alliance (RBA) Code of Conduct (<http://www.responsiblebusiness.org>)
  - 2.5. Ethical Trading Initiative ([www.ethicaltrade.org](http://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](http://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](http://www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm))
  - 2.8. ISO 14001 ([www.iso.org](http://www.iso.org))
  - 2.9. National Fire Protection Agency ([www.nfpa.org/catalog/home/AboutNFPA/index.asp](http://www.nfpa.org/catalog/home/AboutNFPA/index.asp))
  - 2.10. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas (<http://www.oecd.org/corporate/mne/mining.htm>)
  - 2.11. OECD Guidelines for Multinational Enterprises  
(<http://www.oecd.org/investment/mne/1903291.pdf>)
  - 2.12. OHSAS 18001  
(<http://www.bsigroup.com/en-GB/ohsas-18001-occupational-health-and-safety/>)
  - 2.13. Universal Declaration of Human Rights  
(<http://www.un.org/en/universal-declaration-human-rights/index.html>)
  - 2.14. United Nations Convention Against Corruption  
(<https://www.unodc.org/unodc/en/treaties/CAC/>)
  - 2.15. United Nations Global Compact (<https://www.unglobalcompact.org/>)
  - 2.16. United States Federal Acquisition Regulation (<https://www.acquisition.gov/?q=browsefar>)
  - 2.17. SA 8000 ([www.cepaa.org](http://www.cepaa.org))
  - 2.18. Social Accountability International (SAI) ([www.sa-intl.org](http://www.sa-intl.org))
3. List of SSMC Banned Materials with Restriction to Use
4. Applicable laws and regulations