

## Supplier Social Responsibility

Sensirion is committed to high standards of integrity and sustainability. We expect all of our Suppliers to fully comply with following **Supplier Social Responsibility** requirements and to conduct their business ethically.

**PREAMBLE:** These **Supplier Social Responsibility** requirements reflect the Electronic Industry Citizenship Coalition (EICC) Code of Conduct ([www.eicc.info/eicc\\_code.shtml](http://www.eicc.info/eicc_code.shtml)) to which Sensirion is committed to. Sensirion may therefore from time to time, modify **Supplier Social Responsibility** to align it to changed EICC Code of Conduct requirements.

### 1. **WARRANTY**

In addition to warranties provided in any other agreement, the Supplier acknowledges, represents and warrants that:

- a) it has reviewed and accepts to fully comply with the terms and conditions of this **Supplier Social Responsibility**;
- b) it acknowledges that compliance with this **Supplier Social Responsibility** is essential;
- c) it understands that Sensirion intends to promote responsible management of environmental and social issues in its supply chain, and therefore the Supplier shall not by way of any action or omission tarnish, disparage, dilute or damage Sensirion's reputation or goodwill in that respect;
- d) in the event Sensirion makes a modification as announced in the Preamble, the Supplier shall at its own cost, use its best efforts to achieve compliance with such modification as soon as reasonably possible; and
- e) it shall make the content of this **Supplier Social Responsibility** available to any of its suppliers who are engaged in or related to Supply to Sensirion and ensure their full compliance.

### 2. **LABOR AND HUMAN RIGHTS**

- a) The Supplier shall ensure that child labor is not used in any stage of its manufacturing process. The term "child" refers to any person under the age of fifteen (15) (or fourteen (14) if so defined by the applicable law), or under the age of completing compulsory education, or under the minimum age for employment in the applicable country, whichever is the greatest. The Supplier shall not engage workers under the age of eighteen (18) to perform work that is likely to jeopardize their life, health or safety. Further, the Supplier shall not directly or indirectly use forced, bonded or indentured labor or involuntary prison labor, so that all employees shall be entitled to leave their employment after reasonable notice.
- b) Supplier shall ensure that the workweeks of workers do not exceed the maximum set by applicable laws, and that workers do not work per week more than set by applicable laws, except in emergency or unusual situations. Workers shall also be allowed at least one day off each week. Workers for the purpose of this Agreement shall mean any and all persons working for the Supplier.
- c) The Supplier shall ensure that workers are timely compensated in accordance with all applicable laws, including that relating to minimum wages, overtime hours and legally mandated benefits. Any overtime compensation rate shall be greater than regular hourly rates, and deductions from wages as a disciplinary measure shall not be permitted.
- d) The Supplier's disciplinary policies and procedures shall be clearly defined and communicated to workers. The Supplier shall take all necessary steps to prevent harsh and/or inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse, or any threats to such treatment.
- e) The Supplier shall eliminate discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring and employment practices such as promotions, rewards, and access to training. In addition, workers or potential workers shall not be subjected to medical tests that could be used in a discriminatory way.
- f) The Supplier shall protect the rights of workers to associate freely, join or not join labor unions, seek representation, join workers' councils in accordance with applicable laws. Workers shall be made able to communicate openly with the management level of Supplier regarding working conditions without fear of reprisal, intimidation or harassment.

### 3. **HEALTH AND SAFETY**

- a) The Supplier shall ensure that worker's exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, and fall hazards) are 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, the Supplier shall provide workers with appropriate, well-

maintained, personal protective equipment. Workers shall not be disciplined for raising safety concerns.

- b) The Supplier shall ensure that emergency situations and events are identified and assessed, and their impact is 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.
- c) The Supplier shall ensure that all necessary procedures and systems are in place to prevent, manage, track and report occupational injury and illness, including such to: a) encourage worker reporting; b) classify and record injury and illness cases; c) provide necessary medical treatment; d) investigate cases and implement corrective actions to eliminate their causes; and e) facilitate return of workers to work.
- d) The Supplier shall ensure that worker exposure to chemical, biological and physical agents are identified, evaluated, and controlled. Engineering or administrative controls must be used to control overexposures. When hazards cannot be adequately controlled by such means, worker health is to be protected by appropriate personal protective equipment programs.
- e) The Supplier shall ensure that worker 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 are identified, evaluated and controlled.
- f) The Supplier shall ensure that production and other machinery are evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.
- g) The Supplier shall ensure that workers are 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 clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, and adequate heat and ventilation and reasonable personal space along with reasonable entry and exit privileges.

#### **4. ENVIRONMENT**

- a) The Supplier shall ensure that no substances harmful or dangerous to human health or environment are used or contained in the process of developing or manufacturing of Supply. In order to verify this, the Supplier shall during the Term, create and maintain detailed and accurate list and records of all the materials and chemicals used or included in the development and manufacture of Supply.
- b) The Supplier shall report to Sensirion any hazardous substances and submit all information on materials and/or substances used or contained in Supply including but not limited to any test reports.
- c) The Supplier shall implement appropriate environment protective measures to manage, control and minimize the release of harmful emissions to the environment. Further, the Supplier shall actively promote and engage in environmental safety improvement activities in order to prevent environmental contamination at source.
- d) The Supplier shall obtain, maintain and keep current all environmental permits, approvals and registrations required by applicable governments, and fully comply with any operational and reporting requirements in association thereof.
- e) The Supplier shall comply with all applicable laws and regulations including that related to prohibition or restriction of certain substances, labeling for recycling and disposal.

#### **5. ETHICS AND CONFLICT MINERALS**

- a) The Supplier shall evaluate the origin of their materials throughout their supply chains to verify that the materials are not obtained by any illegal form of mining or as otherwise stipulated in the EICC Code of Conduct with reference to sourcing of conflict minerals. The Supplier shall exercise due diligence on the source and chain of custody of these minerals and make their Conflict Mineral Report ([www.conflictreesourcing.org/conflict-minerals-reporting-template](http://www.conflictreesourcing.org/conflict-minerals-reporting-template)) available to Sensirion upon request.
- b) The Supplier shall prohibit any and all forms of corruption, extortion and embezzlement, and shall implement necessary monitoring and enforcement procedures thereof. In particular, the Supplier shall in no event bribe foreign civil servants in international commercial transactions, and shall comply with laws that prohibit promising or giving bribes or any act of expressing intention to give either directly or indirectly to foreign civil servants regarding business affairs for the purpose of achieving unlawful profit in international commercial transactions.
- c) The Supplier shall ensure that it shall not offer or accept bribes or other means of obtaining undue or improper advantage. In particular, the Supplier, its affiliates shall not attempt to influence Sensirion, its affiliates and their respective employees with respect to any business arrangement through bribery, favors, gifts, sporting or entertainments, offers of future employment or similar conduct. The Supplier shall publicly disclose all information regarding its business activities, structure, financial situation and performance in accordance with applicable laws and prevailing industry practices.

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- d) The Supplier shall ensure that standards of fair business, advertising and competition are upheld, and that appropriate means to safeguard customer information are implemented.
- e) The Supplier shall ensure that employee whistleblowers and their confidentiality are adequately protected.
- f) The Supplier shall not give or offer travel or lodging expenses for any other purpose.

**6. IMPLEMENTATION AND MONITORING**

- a) The Supplier shall produce and maintain true and accurate records regarding its compliance with this **Supplier Social Responsibility**, for the duration of supply to Sensirion and for an additional three (3) years.
- b) In addition to any other audit rights and/or rights to access Supplier's premises granted in any other agreement, the Supplier shall lawfully furnish Sensirion with any information reasonably requested by Sensirion to verify and confirm such compliance.
- c) Upon Sensirion's determination that improvement is required for the Supplier to comply with this **Supplier Social Responsibility**, the Supplier shall implement necessary corrective or countermeasures to achieve full compliance.
- d) The Supplier shall immediately notify Sensirion when the Supplier becomes aware of any existing or potential breach or non-compliance with this agreement.
- e) In the event the Supplier needs assistance or guidance in complying with the provisions set forth herein, the Supplier may request and Sensirion will at its sole discretion, provide necessary training and assistance.

As a Supplier, you must comply with all applicable laws and regulations, the requirements set out in this Supplier Social Responsibility code and your contractual obligations to Sensirion.

Finally, Sensirion wishes to thank our partners for their enduring efforts and close cooperation in an atmosphere of mutual trust which unquestionably leads to successfully sustaining and further extending our group success as a whole.

Stäfa, June 2014.