



## Supplier Corporate Social Responsibility Commitment

This "Supplier Corporate Social Responsibility Commitment" (hereinafter referred to as the "Commitment") is based on the "Code of Conduct" issued by the Electronic Industry Citizenship Coalition Code of Conduct (hereinafter referred to as the "Code of Conduct"). For more information, please on the basis of the website: <http://www.eiccoalition.org>). This commitment is intended to establish and ensure a safe working environment for the supply chain in the electronics industry, where workers are respected and respected, and that they are responsible for environmental responsibility and ethical compliance.

This Commitment applies to all [\[Semiconductor Manufacturing International Corporation\]](#) and / or its global subsidiaries, affiliates (collectively referred to as "SMIC") to provide products or services to suppliers and subcontractors (referred to as "supplier"). This Commitment shall not override the laws of the state nor shall it provide the rights not covered by any national law.

This Commitment applies to all suppliers and subcontractors and / or Its global subsidiaries, affiliates (collectively "suppliers") who provide products or services to [\[Semiconductor Manufacturing International Corporation\]](#) and / or its worldwide subsidiaries, affiliates (collectively, "SMIC"). This Commitment does not override national law and does not provide any rights that are not covered by national legislation.

The prerequisite for the implementation of this Commitment is to make sure that all business activities must comply fully with the laws and regulations of the country in which they operate. Encourage suppliers to comply with regulations and refer to internationally recognized standards to promote corporate social and environmental responsibility and compliance with business ethics.

When the supplier has signed this Commitment, it represents the supplier's commitment to comply with the Code of Conduct and this "Supplier Corporate Social Responsibility Commitment", deploy and implement all requirements of the Code of Conduct and this "Supplier Corporate Social Responsibility Commitment" in its organization. In addition, the supplier should inform its downstream suppliers to implement the Corporate Social Responsibilities (CSR) code required by the Code of Conduct ultimately throughout the supply chain.

With reasonable notice, SMIC reserves the right to inspect the implementation of CSR by the supplier. If it is found that the supplier has seriously violated the Supplier Corporate Social Responsibility Commitment, SMIC has the right to cancel the supplier's qualification, cease to cooperate with all the procurement business of the supplier and retain the right to pursue the responsibility of the supplier through legal means.

The text of this Commitment consists of five parts: Chapter 1-4 sets out the standards on labor, health and safety, the environment and business ethics, respectively. Chapter 5 provides guidance on how to comply with this Commitment.

### 1. LABOR

Suppliers are committed to uphold the human rights of workers, and to treat 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:



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## 1.1 Freely Chosen Employment

Forced, bonded (including debt bondage) or indentured labor, involuntary 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 their native language that contains a description of terms and conditions of employment prior to the worker departing from his or her country of origin. All work must be voluntary and workers shall be free to leave work at any time or terminate their employment. Employers and agents may not hold or otherwise destroy, conceal, confiscate or deny access by employees to their identity or immigration documents, such as government-issued identification, passports or work permits, unless such holdings are required by law. Workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

## 1.2 Young Workers

Child labor is not to be used in any stage of manufacturing. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts 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. Workweeks are not to exceed the maximum set by local law. Further, a workweek should 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.

## 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. 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.



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## 1.5 Humane Treatment

There is to be no harsh and inhumane treatment 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 should be committed to a workforce free of harassment and unlawful discrimination. Companies shall not engage in discrimination based on race, color, 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

In conformance with local law, suppliers shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment.

## 2. HEALTH and SAFETY

Suppliers 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, consistency of production and worker retention and morale. Suppliers also recognize that ongoing worker input and education is essential to identifying and solving health and safety issues in the workplace. Suppliers are encouraged to implement health and safety management systems based on OHSAS18001 requirements.

The health and safety standards are:

### 2.1 Occupational Safety

Worker exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, and fall hazards) are 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 and educational materials about risks to them associated with these hazards. Workers shall be encouraged to raise safety concerns.

### 2.2 Emergency Preparedness

Potential emergency situations and events are to be 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. Such plans and procedures shall focus on minimizing harm to life, the environment and property.



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## **2.3 Occupational Injury and Illness**

Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness including provisions to: encourage worker reporting; 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**

Worker exposure to chemical, biological and physical agents is to be 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.

## **2.5 Physically Demanding Work**

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 is to be identified, evaluated and controlled.

## **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, and reasonable personal space along with reasonable entry and exit privileges.

## **2.8 Health and Safety Communication**

Supplier shall provide workers with appropriate workplace health and safety training in their primary language. Health and safety related information shall be clearly posted in the facility.

## **3. ENVIRONMENTAL**

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

The environmental standards are:

### **3.1 Environmental Permits and Reporting**

All required environmental permits (e.g. discharge monitoring), 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**

The use of resources and generation of waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.



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## **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**

Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous). Wastewater generated from operations, industrial processes and sanitation facilities are to be characterized, monitored, controlled and treated as required prior to discharge or disposal. In addition, measures should be implemented to reduce generation of wastewater. Supplier shall conduct routine monitoring of the performance of its wastewater treatment systems.

## **3.5 Air Emissions**

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, routinely monitored, controlled and treated as required prior to discharge. Supplier shall conduct routine monitoring of the performance of its air emission control systems.

## **3.6 Materials Restrictions**

Suppliers are to adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

## **3.7 Storm Water Management**

Suppliers shall implement a systematic approach to prevent contamination of storm water runoff. Supplier shall prevent illegal discharges and spills from entering storm drains.

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

Energy consumption and 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.

## **4. ETHICS**

To meet social responsibilities and to achieve success in the marketplace, suppliers and their agents are to uphold the highest standards of ethics including:

### **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 and embezzlement. All business dealings should be transparently performed and accurately reflected on supplier's business books and records. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws. In the event of a bribery or violation of the Anti-Corruption Act in relation to the SMIC cooperation program within the supplier, the supplier must promptly notify SMIC in its notification channel: email: code@smics.com. If the supplier is not in good faith to operate SMIC anti-bribery investigation, the supplier will be fully free of charge with any investigation of SMIC, and accept the SMIC audit. In the event that SMIC suffered any penalties for bribery, including civil, administrative and criminal penalties, the supplier shall



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be fully liable for any damages resulting from such penalties.

### **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.

### **4.3 Disclosure of Information**

Information regarding supplier labor, health and safety, environmental practices, business activities, structure, financial situation and 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 are unacceptable. All documents, materials, data, statements and oral statements from suppliers to SMIC must be authentic and accurate.

### **4.4 Intellectual Property**

Intellectual property rights are to be respected; transfer of technology and knowhow is to be done in a manner that protects intellectual property rights; and, customer 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 whistleblowers are to be maintained, unless prohibited by law. Suppliers should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

Whistleblower definition: Any person who makes a disclosure about improper conduct by an employee or officer of a company, or by a public official or official body.

### **4.7 Responsible Sourcing of Minerals**

Suppliers shall have a policy to reasonably assure that the tantalum, tin, tungsten and gold 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 the Congo or an adjoining country. Suppliers shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available to customers upon customer request

### **4.8 Privacy**

Suppliers are to commit to protecting the reasonable privacy expectations of 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, and shared.

## **5. MANAGEMENT SYSTEM**

Suppliers shall adopt or establish a management system whose scope is related to the content of this Code. The



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management system shall be designed to ensure: (a) compliance with applicable laws, regulations and customer requirements related to the suppliers' operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement.

The management system should contain the following elements:

## **5.1 Company Commitment**

A corporate social and environmental responsibility policy statements affirming Supplier's commitment to compliance and continual improvement, endorsed by executive management and posted in the facility in the local language.

## **5.2 Management Accountability and Responsibility**

The supplier clearly identifies senior executive and company representatives 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**

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**

A process to identify the legal compliance, environmental, health and safety and labor practice and ethics risks associated with suppliers' operations. Determination of 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**

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**

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**

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**

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

## **5.9 Audits and Assessments**

Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code and customer contractual requirements related to social and environmental responsibility.

## **5.10 Corrective Action Process**

A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations



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and reviews.

## 5.11 Documentation and Records

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

## 5.12 Supplier Responsibility

A process to communicate Code requirements to sub-suppliers and to monitor supplier compliance to the Code.

## 6. Other Clause

### 6.1 Effective date

After the supplier has signed it, this Commitment will take effect on [ - - ] ("effective date"). If the final date of signature is later than the "effective date" agreed here, the supplier agrees that the validity of this undertaking is traced back to the "effective date" agreed here.

### 6.2 Deadline

This Commitment is effective from the date of entry into force and is valid for a long period of time between the duration of the business, except in the following cases: (1) the parties agree in writing to terminate this Commitment; or (2) to sign a new commitment to the same subject this Commitment.

### 6.3 Remark

This Commitment is a unilateral irrevocable commitment.

Supplier Company Name:

Representative Name:

Signature:

Title of Representative:

Date:

