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IMI SUPPLIER CODE OF CONDUCT

SQE-QGS-002

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Integrated Micro-Electronics, Inc. (IMI)

WEBSITE | www.global-imi.com

1. INTRODUCTION

1.1 General

As embodied in the IMI Code of Business Conduct and Ethics, IMI and our employees are committed to fulfill their legal obligations to all stakeholders and to observe utmost standards of integrity, fair dealing, and sustainability. To promote fulfilment of these obligations, our suppliers are expected to adhere to applicable laws, rules and regulations, as well as the guidelines and directives enumerated in this Code.

This Code defines the main principles underlying the business activities of our suppliers. Criteria related to our environmental, ethical, and social responsibilities are also included.

1.2 Legal Compliance

This Code does not replace legislation and jurisprudence. If any part of it is in conflict, then the latter take precedence. In case of occurrence of situations wherein there are no specific guidelines, the conduct should be in the spirit of this Code.

1.3 Implementation and Monitoring

IMI will follow up and monitor the implementation of this Code. To ensure and demonstrate compliance with this Code, suppliers shall keep records of all relevant documents, and provide to IMI supporting documentation upon request.

1.4 Corrective Actions

If IMI observes that a supplier does not comply with this Code, we will direct the supplier to take necessary corrective actions [within fifteen \(15\) working days from notice](#). IMI may resort to proper legal actions, including suspending or terminating our business relations with a supplier who fails to act accordingly.

2. BUSINESS ETHICS

2.1 General

Suppliers should respect the laws and regulations of the Philippines and those in the jurisdictions in which it operates.

2.2 Competition and Anti-Trust Legislation

IMI is dedicated to dynamic but fair competition that is based on the added value of its products and services.

This Code identifies specific activities which are proscribed by competition and anti-trust laws:

- engaging in unfair, misleading, or inaccurate comparisons, anti-competitive agreements, arrangements, or concerted practice; and
- use of theft or deceit to acquire, or attempting to acquire, any information for IMI.

2.3 Patents, Trademarks and Copyrights

Suppliers should respect intellectual property of others, including that of IMI's.

The Supplier will, at its sole cost and expense, indemnify, defend, and hold IMI harmless from and against any claim brought by a third party to the extent that such claims arise out of infringements by the goods supplied of any patent, trade secret, copyright, trademark or other intellectual property rights.

2.4 Adherence to Trade Regulations

Suppliers should adhere to international trade regulations and export control regulations. IMI shall be free from any liability should the Supplier commit any violation of the said regulations.

2.5 Fraud

Suppliers should not accept or tolerate fraud in any form.

2.6 Payment of Bribe

Suppliers should (a) refrain from any and all forms of corruption, extortion, and bribery, and (b) ensure that payments, gifts, or other commitments to customers (including IMI employees), government officials, and to any other party are in compliance with the IMI Code of Business Conduct and Ethics and applicable anti-bribery laws.

2.7 Records and Reports

Suppliers should ensure that its records are precisely and completely prepared and reviewed, whether these are used for internal or external purposes.

3. CONFLICT OF INTEREST

3.1 General

Conflict of interest between the supplier and IMI should be avoided. Hence, suppliers should always exercise sound judgment and be guided by the highest standards of honesty and integrity in all its interaction and dealings affecting IMI and our affiliates and/or subsidiaries.

3.2 Prohibited acts

Conflicts of interest include, and are not limited to the following acts:

- engaging in transactions that actually constitute or could be perceived as creating conflict of interest, including giving valuable gifts or extending a loan or ownership of a significant part of a company business);
- performing back door selling or conniving with any personnel or staff of IMI and using the same for its business advantage;
- personal financial involvement in activities that might conflict with IMI's interest, such as ownership in companies where IMI's activities have a major impact;
- using insider or confidential information for personal gain.

3.3 Undertaking of the Supplier

To comply with the foregoing, the supplier should conduct the following:

- if a proposed transaction or situation raises any questions or doubts, refer the said matter to the Chief Finance Officer or Head of the Human Resources of IMI before entering into the relationship or situation in question;
- should a conflict occur, make a declaration disclosing information concerning:
 - (1) potential conflicts of interest relating to its activities as an IMI supplier;
 - (2) any financial interest an IMI employee may hold in the supplier's business;
 - (3) the supplier's personal or private business engaged in a business similar to that of IMI's; or
 - (4) the supplier's immediate family members working for IMI;
- in case of conflict of interest, obtain clearance from the Head of Materials Management of IMI; and
- to submit annually to IMI's Head of [Global Procurement Organization \(GPO\)](#) a statement which confirms that the supplier is in compliance with and has agreed to comply with the IMI's conflict of interest policy.

3.4 Sanction

Failure of the supplier to disclose and obtain clearance for any actual or possible conflict of interest situation may result in disqualification or possible severance of the supplier's business opportunities with IMI.

4. CONFIDENTIAL INFORMATION

4.1 General

All confidential information provided by IMI and our respective business partners must be protected.

4.2 Confidential information, as defined

Confidential information pertains to information, whether written or oral, in material non-public tangible or non-tangible form, relating to IMI's business, including, without limitation, computer programs, technical drawings, algorithms, know-how, formula, processes, ideas, inventions [whether patentable or not], schematics and other technical, business, financial,

customer and product development plans, forecasts, strategies and information, which to the extent previously, presently, or subsequently disclosed to the supplier.

It also includes information that, if disclosed, risks placing IMI at a competitive disadvantage.

4.3 Undertaking of the supplier

The supplier should conduct the following:

- hold any confidential information disclosed by IMI and our employees in confidence;
- take reasonable measures to protect the secrecy of such confidential information or any information derived therefrom;
- avoid disclosure or use thereof other than as expressly authorized;
- avoid copying or reversing engineer any confidential information, or product thereof;
- immediately notify IMI in case of any loss or unauthorized disclosure of the confidential information;
- be responsible for any breach of the nondisclosure agreement by any of its representatives; and
- at its sole expense, take all reasonable measures, including but not limited to court proceedings, to restrain its representatives from prohibited or unauthorized disclosure or use of the confidential information.

4.4 Disclosure of confidential information

The supplier may disclose the confidential information to the supplier's representatives who have a bona fide need to know such information for the sole purpose of evaluating a possible collaboration with the IMI; provided that the supplier's representatives shall agree to keep such information confidential in accordance with this Code, as if they were parties thereto.

The foregoing shall not apply to any information which the supplier can affirmatively establish that:

- (1) such information is publicly known or, through no wrongful act or failure to act by the supplier, becomes publicly known ; or
- (2) required by the government, court order, or regulatory body to disclose such information, provided that the supplier uses diligent reasonable efforts to assure that the confidential information required to be disclosed is treated confidentially in the relevant proceeding and promptly notifies the IMI of the required disclosure to enable IMI the opportunity to prevent or control such disclosure.

5. WORKERS' RIGHTS AND HUMAN RIGHTS

5.1 Human Rights

The supplier should promote the following human rights:

- right to personal dignity, equality, privacy, and personal security;
- right to refuse unsafe or dangerous work; and
- right against gestures, language, advances, and physical contact that are sexual, coercive, threatening, abusive, or exploitative.

5.2 Fair Labor Conditions

The supplier should comply with labor laws and promote the labor rights of its employees including:

- freedom from employment discrimination based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, labor organization membership, protected genetic information, marital status or any other potentially discriminatory factor;
- right to freely associate and bargain collectively;
- right against child labor in any stage of the business activities, except those allowed by applicable laws and regulations;
- right against forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons.
- right to resign from their employment upon reasonable notice;
- right to fair compensation subject to local wage regulations and/or collective bargaining agreements;
- right to reasonable working hours, including overtime. If legal limits do not exist, working hours should not exceed sixty (60) hours per week including overtime; and
- right to at least one (1) uninterrupted rest period of not less than twenty-four (24) consecutive hours for every six (6) consecutive normal work days and for established local and national holidays.

This provision shall not be interpreted as creating an employer-employee relationship between IMI and the employees of the Suppliers. Any violation of the provisions of the labor law by the Supplier shall be the sole liability of the Supplier.

6. ENVIRONMENT, HEALTH, AND SAFETY

6.1 Safe and Healthy Workplace and Conduct of Environmentally- sustainable Business

The supplier should provide a safe working environment and is responsible for its environmental performance through the following acts:

- formally appointing a competent person to manage health, safety, and environmental programs and improvements;
- establishing appropriate organizational structures and procedures for the effective management of health, safety, and environmental risks; and
- ensuring that all workers are sufficiently aware of these risks and appropriately trained on the implementation of control measures.

It is preferred that the supplier has current ISO 14001 accreditation. However, if the supplier does not have this certification, a plan for implementation in the short term should be made available.

6.2 IMDS (International Material Data System) / CAMDS (China Automotive Material Data System)

All automotive suppliers are required to be ready in providing material data in electronic format per the requirements defined in the International Material Data System (IMDS) and / or (CAMDS – for China automotive suppliers). For specifics and further information relating to this requirement; visit <http://www.mdssystem.com>. and <http://cuc2.camds.org/camds>. Suppliers of components are also responsible for the on-time provision of all IMDS relevant material data for their products and the products of their suppliers.

6.3 Material Compliance and Conflict Minerals

The supplier should declare to IMI compliance to customer hazardous substance requirements and other international substance restrictions, and comply with the following:

- (1) Implement and ensure a policy not to source from smelters coming from Democratic Republic of Congo and adjoining countries and exercise due diligence to investigate the source of these minerals.

<http://www.conflictreesourcing.org/conflictminerals-reporting-template/>; and

- (2) Report to IMI the hazardous substances contained in the goods supplied;

- **REACH (Registration, Evaluation and Authorization of Chemicals) and RoHS (Restriction of Use of Hazardous Substances)**

IMI's expectation is that all suppliers understand and comply with the REACH and RoHS legislation, particularly the pre-registration and registration requirements, since it is relevant to all IMI- procured products.

Suppliers must comply with European Union Regulation Registration Evaluation Authorization and Restriction of Chemicals (REACH) and Restriction of Use of Hazardous Substances any/all amendments. This applies to suppliers that provide substances on their own, in preparations or in articles. For information about how to comply with this requirement and you can also obtain information from the following web site regarding REACH: <http://www.echa.europa.eu>.

A written confirmation by the companies REACH and RoHS responsible must be sent to IMI Corporate Quality - HSPM.

- **HSPM Documentation Requirement Submission**

All HSPM documentation requirements other than stated above must be submitted one week after the date of request. Should supplier be unable to provide based on IMI lead time, they must advise 3 days ahead of the target deadline their own lead time. In both cases of delayed submission, supplier's rating will be deducted depending on the effect on production, product approval and shipment.

Refer to appendix III for statutory and regulatory requirements that IMI might require from suppliers depending specific customer requirements based on the application and destination of product.

7. SECURING BUSINESS

The supplier should implement reasonable measures to minimize exposure of IMI to security threats such as terrorism, crime, pandemics, and natural disasters.

When visiting or working at IMI locations, abide by IMI's security procedures and report any security concerns to the appropriate IMI channels.

IMI shall have the right to prevent the Supplier or any of its representatives from entering the premises of IMI on the ground of refusal to comply with IMI's security procedure.

References:

- [Responsible Business Alliance, \(formerly the EICC\) Code of Conduct Version 6.0](#)
- [IMI's Code of Conduct](#)
- [Local Labor Laws \(depending on the country of operation\)](#)
- [ISO 14001 \(latest edition\)](#)
- [ISO 45001 \(latest edition\)](#)
- [IPC1755 format \(e.g., CMRT – Conflict Mineral Reporting Template\)](#)

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Appendix I. REPORT OF NON-COMPLIANCE

I am aware of a situation that may not be in compliance with the IMI Supplier Code of Conduct. The potential or actual conflict are described, as follows:

Name and contact details (voluntary information):

Please send this report to Global CSR globalcsr@global-imi.com.

Appendix II. CERTIFICATION

I, the undersigned, confirms that the company has understood and will comply with the IMI's Supplier Code of Conduct.

Date, City

Name

Company

Signature

Name

Title

NOTE:

Pls. send all signed original copy to material in charge and/or send scanned signed copy to Global CSR globalcsr@global-imi.com within 1 month after receipt of this document.

Appendix III. HAZARDOUS SUBSTANCE COMPLIANCE GUIDE

Product Content Requirements	DOCUMENTATION REQUIREMENTS					
	Test Report	Material Declaration	Compliance Declaration	IMDS / CAMDS	CMRT	BOMCHECK
RoHS, Directive (EU) 2015/863	✓	✓	✓	O	X	O
REACH, (EC) No. 1907/2006	✓	✓	✓	O	X	O
Halogen-Free, IEC 61249-2-21	✓	✓	✓	O	X	O
California Proposition 65	✓	✓	✓	O	X	O
Battery, Directive 2006/66/EC	✓	O	✓	O	X	O
Packaging and Packaging Waste, Directive (EU) 2015/720	✓	O	✓	X	X	O
BOMCHECK	✓	✓	✓	X	X	✓
IMDS, International Material Data System	X	X	X	✓	X	X
CAMDS, China Automotive Material Data System	X	X	X	✓	X	X
CMRT, Conflict Minerals Reporting Template	X	O	X	O	✓	X

✓ - Required
O - Optional
X - Not Needed

NOTE 1: Not all product content requirements indicated on this table will be required from all suppliers.

NOTE 2: Specific product content requirement will be requested from suppliers by IMI-HSPM Team based on specific customer requirement.

Revision History

Rev. No.	Date	Page	Details of change	Author
00	---	1 to 10	Initial Issue	Israel Lualhati (CQR)
01	18-Feb-19	Cover Page to page 14	Change format and add header and footer	Anna Cristina L. Requijo (HR)/ Cecilia D. Puertollano (SQE)/ Jamie Armas (HSPM)/ Ursula De Llamas (CQ)
		1	Fixed the period within which the Supplier shall take the necessary corrective action. (The purpose of which is to determine the date when IMI's right to institute legal action, terminate or suspend its business relation with the supplier, arises).	
		2	Added comment on 2.3 and 2.4 (These were added to protect the interest of IMI as suggested by IMI Lawyer)	
		4	Change Material Management to Global Procurement Organization (GPO)	
		5	Removed items 1, 3 and 4 out of 5 items under 4.4 (These were risks that suppliers can take advantage of against IMI).	

Rev. No.	Date	Page	Details of change	Author
		6	<p>Add requirements on fair labor conditions under clause 5.2</p> <p>Added clarificatory notes under 5.2 (This is an additional provision intended to give emphasis on the absence of an employer-employee relationship between IMI and the Supplier's employee.)</p>	
		7	Add recommendation for suppliers to be certified to ISO14001 (Environmental Management System) under clause 6.1	
		7-9	Add other HSPM requirements on IMDS, CAMDS and REACH	
			Add clarification regarding Appendix III.	
		9	Added references	
		11	Added clarificatory notes	
		12	Added clarification that not all are being required from 1 supplier	
		13-14	Added revision history	