

MACOM

Supply Chain Code of Conduct

General Purpose

MACOM is committed to ensuring that working conditions are safe, workers are treated with respect and dignity and that business operations are environmentally responsible and conducted ethically. In order to be successful in this commitment, it is imperative that our suppliers are committed to supporting our efforts and comply with this Code of Conduct.

In alignment with the UN Guiding Principles on Business and Human Rights, the provisions in this Code of Conduct are derived from key international human rights standards, including the ILO Declaration on Fundamental Principles and Rights at Work and the UN Universal Declaration of Human Rights. The principles of this Code of Conduct are also aligned with the Electronic Industry Citizenship Coalition (EICC) Code of Conduct.

MACOM's Supply Chain Code of Conduct is applicable to its supply chain, subcontractors and providers of contract labour. The provisions of the code apply to any new and current suppliers. The contents of this Code are based upon current conditions, are subject to change and are relevant to MACOM, its subsidiaries and affiliates, unless otherwise noted.

This document does not negate nor waive the requirements of, nor in any way supersede International laws, regulations or International guidelines. MACOM expects its supply chain to operate in full compliance with the laws, rules and regulations of the countries in which it operates.

Labour

MACOM expects its suppliers' commitment to uphold the human rights of workers as understood by the international community, and to treat them with dignity and respect. This applies to all workers, including temporary, migrant, student, contract, direct employees, and any other type of worker.

Freely Chosen Employment

Forced, bonded (including debt bondage) or indentured labour, involuntary prison labour, slavery or trafficking of persons shall not be used. This includes transporting, harbouring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labour or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility, nor shall there be 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, as required by law. The written employment agreement should contain 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, except and to the extent the same is 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.

Young Workers

Child labour 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. Supplier shall provide appropriate support and training to all student workers. Supplier shall respect applicable laws and regulations with regard to payment for students, interns and apprentices.

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 and regulation. 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.

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 labour will be within the limits of the local law.

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.

Non-Discrimination

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

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.

Ethics

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

Business Integrity

The highest standards of integrity are to be upheld in all business interactions. A zero tolerance policy should be in place to prohibit any and all forms of bribery, corruption, extortion and embezzlement. All business dealings should be transparently performed and accurately reflected on suppliers' business books and records. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

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.

Disclosure of Information

Information regarding suppliers labour, health and safety, environmental practices, business activities, 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.

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. Customer information is to be safeguarded.

Fair Business, Advertising and Competition

Standards of fair business, advertising and competition are to be upheld. Appropriate means to safeguard customer information should be in place.

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.

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 provide the necessary information to MACOM.

Privacy

Suppliers shall commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers and employees. Suppliers shall comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

Health & Safety

MACOM expects its suppliers to 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. We also expect our suppliers to recognize that ongoing worker input and education is essential to identifying and solving health and safety issues in the workplace.

We expect our suppliers to implement a recognized management system such as OHSAS 18001 and use the ILO Guidelines on Occupational Safety and Health.

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.

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.

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.

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.

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.

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.

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 labour 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.

Health and Safety Communication

Appropriate workplace health and safety training should be provided in workers primary language. Health and safety related information shall be clearly posted in the facility.

Environmental

MACOM expects Suppliers to 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. We expect our suppliers to implement a recognized management systems such as ISO 14001.

Environmental Permits and Reporting

All required environmental permits (e.g. discharge monitoring), approvals and registrations are to be obtained, maintained and kept current. Operating and reporting requirements are to be followed.

Pollution Prevention

The 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.

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.

Wastewater and Solid Waste

A systematic approach to identify, manage, and responsibly dispose of or recycle solid waste shall be implemented. Wastewater generated from operations, industrial processes and sanitation facilities are to be characterized, monitored, controlled and treated as required prior to discharge or disposal. Supplier shall conduct routine monitoring of the performance of its wastewater treatment systems.

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.

Materials Restrictions

Supplier shall adhere to all applicable laws, regulations and customer requirements regarding the restriction of specific substances in products and manufacturing, including labelling for recycling and disposal.

Storm Water Management

Supplier shall comply with applicable storm water requirements in their region or apply best management practices to reduce industrial storm water runoff for their operations.

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.



Compliance with Code of Conduct

Audits

MACOM reserves the right to audit, or designate a third party to audit suppliers' compliance with this Code of Conduct. The audit will be unrestricted and may occur without advance notice. In the event of an audit, suppliers must provide access to the necessary facilities, books and records, and personnel (including an opportunity for confidential and private interviews with selected personnel).

Reporting

MACOM suppliers, their employees and their representatives are encouraged to report to MACOM suspected violations of this Code of Conduct. Such reports can be made by email to CSR@macom.com. Reports will be treated as confidential. MACOM prohibits retaliation against any individual, who in good faith, reports a suspected violation.

Violation

Upon learning of a supplier violation of this Code of Conduct, MACOM may, in its sole discretion, take disciplinary action up and including termination of MACOMs business relationship with the supplier.

References

The following material is applicable to this Code of Conduct and may be a useful source of additional information.

MACOM Policy Against Trafficking in Persons <https://www.macom.com/about/quality-reliability>

MACOM Policy on Conflict Minerals <https://www.macom.com/about/quality-reliability>

MACOM Anti-Corruption Policy <http://www.macom.com/partner-login>

United Nations Global Compact www.unglobalcompact.org

Universal Declaration of Human Rights www.un.org/Overview/rights.html

ILO International Labour Standards
www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm

OECD Guidelines for Multinational Enterprises www.oecd.org/mne/

United Nations Convention Against Corruption <https://www.unodc.org/unodc/en/treaties/CAC/>

Dodd-Frank Wall Street Reform and Consumer Protection Act
<http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf>

United States Federal Acquisition Regulation www.acquisition.gov/far/

SA 8000 <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=937>

Social Accountability International (SAI) www.sa-intl.org

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>

Ethical Trading Initiative www.ethicaltrade.org/ ILO Code of Practice in Safety and Health
www.ilo.org/public/english/protection/safework/cops/english/download/e000013.pdf

OHSAS 18001 <http://www.bsigroup.com/en-GB/ohsas-18001-occupational-health-and-safety/> Eco Management & Audit System www.quality.co.uk/emas.htm

ISO 14001 www.iso.org National Fire Protection Association
www.nfpa.org/catalog/home/AboutNFPA/index.asp

Corporate & Social Responsibility

MACOM

Supply Chain Code of Conduct