 <b>SILEGO</b>	<b>Title:</b> <b>Social Responsibility Policy and Procedures</b>	Document Number: GN-01-101 Level 2 Revision: 0
Area of Responsibility: Controller. Refer to Document Control Master Listing for Designated Person	<i>All approved documents require initials of Document Control : ECN on file in Document Control.</i> Initials: J.H. <span style="float: right;">Date: 9/7/12</span>	

**1. Purpose:**

1.1. To define the policy and procedures for corporate social responsibility at Silego.

**2. Scope:**

2.1. Applies to Silego corporate governance as well as manufacturing subcontractors.

**3. Responsibilities and Authorities:**

3.1. The CEO has ultimate responsibility for this policy and procedure but may delegate it at his discretion.

**4. Definitions:**

4.1. N/A

**5. Procedure:**


5.1. Guiding Principle: Silego, and its manufacturing subcontractors, business and labor practices must comply with all applicable laws of the countries in which they are doing business and with other applicable laws. Direct employees of Silego are governed by the Employee Handbook.

5.1.1. Prevention of Child Labor: Silego will not tolerate the use of child labor. Our subcontractors must employ workers whose age is 15 or greater; the age of completion of compulsory education; or the minimum age for employment in the country of manufacture. Furthermore, suppliers must comply with all local laws pertaining to the restrictions on workers under the age of 18, including restrictions on their exposure to situations in or outside of the workplace that are hazardous, unsafe or unhealthy.

5.1.2. Prevention of Involuntary Labor: Employment must be voluntary, and workers must be free to leave work and terminate their employment with reasonable notice. Our suppliers may not use forced labor - prison, indentured, bonded or otherwise. Our suppliers may not require workers to surrender government issued identification, passports, or work permits as a condition of employment. Suppliers must ensure that any worker staffing or recruiting agencies comply with this Code and with the applicable laws of the supplier's country and the worker's home country, whichever is more stringent, in its protection of workers.


5.1.3. Antidiscrimination: Conditions of employment should be based on an individual's ability to do the job, not on personal characteristics or beliefs. Our suppliers may not discriminate on the basis of race, color, national origin, gender, sexual orientation, religion, disability, age, political opinion, pregnancy, marital or family status or similar factors in hiring and employment practices such as job applications, promotions, job assignments, training, wages, benefits, and termination. Suppliers may not subject workers or applicants to medical tests that could be used in a discriminatory manner.

5.1.4. Fair Treatment: All workers are to be treated with respect and dignity. Our suppliers may not engage in or permit physical or psychological coercion, including threats of violence, sexual harassment or abuse, verbal or

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physical abuse, or unreasonable restrictions on entering or exiting supplier facilities. Workers should be free to voice their concerns to management.

- 5.1.5. Immigration law and compliance: Our suppliers may employ or use only workers who have a legal right to work. If suppliers employ foreign or migrant workers, such workers must be employed in full compliance with the immigration and labor laws of the host country.
- 5.1.6. Wages & Benefits: Suppliers should realize that wages are essential to meeting their employees' basic needs. Our suppliers must pay their workers in a timely manner and by providing compensation including overtime pay and benefits that at a minimum satisfy applicable laws.
- 5.1.7. Working Hours: Except in unusual or emergency situations, employees' workweek, including overtime, will be limited to 60 hours, and will include at least one day off for every seven-day work period. Working hours may not exceed the maximum amount permitted by law.
- 5.1.8. Freedom of Association: Our suppliers must respect the rights of employees to establish and join a legal organization of their own selection. Workers may not be penalized or subjected to harassment or intimidation for the non-violent exercise of their right to join or refrain from joining such legal organizations.
- 5.1.9. Safety & Health: Our suppliers must recognize that workers deserve a safe and healthy work environment, and suppliers must, at a minimum, comply with applicable laws regarding working conditions and with the standards below:
  - 5.1.9.1. Occupational Safety. Suppliers must control worker exposure to potential physical safety hazards by installing physical guards, barriers and engineering controls. Where such controls are not available, suppliers must implement administrative controls and educate workers on safety procedures. In all cases, workers must have appropriate personal protective equipment for jobs that require exposure to hazardous working conditions. Suppliers must appropriately manage, track, and report occupational injuries and illnesses.
  - 5.1.9.2. Emergency Preparedness and Response: Suppliers must identify emergency situations and implement response systems, including emergency reporting, alarm systems, worker training and drills, first-aid supplies, fire detection and suppression equipment, and unblocked exit facilities.
  - 5.1.9.3. Machine Safeguarding: Suppliers must implement a regular machinery maintenance program. Production and other machinery are to be routinely evaluated for safety hazards.
  - 5.1.9.4. Dormitories. Suppliers who provide residential facilities for their workers must provide clean and safe dormitories with emergency egresses, reasonable personal space, and entry and exit privileges.
- 5.1.10. Ethical Behavior:
  - 5.1.10.1. No Bribery. Our suppliers may not offer or accept bribes or other means of obtaining undue or improper advantages to anyone for any reason, whether in dealings with governments or the private sector.
  - 5.1.10.2. Anti-Corruption. Suppliers must comply with applicable anti-corruption laws, including the United States Foreign Corrupt Practices Act, and not offer anything of value, either directly or indirectly, to government

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officials in order to obtain or retain business. Suppliers may not make illegal payments to government officials themselves or through a third party.

- 5.1.10.3. Whistleblower Protections: Suppliers must protect worker whistleblower confidentiality and prohibit retaliation against workers who report workplace grievances. Suppliers should create a mechanism for workers to submit their grievances anonymously.
- 5.1.11. Management Systems. Suppliers must adopt a management system to ensure compliance with applicable laws and this Code and to facilitate continual improvement.
  - 5.1.11.1. Management Accountability and Responsibility: Suppliers should have designated representatives responsible for implementing management systems and programs that oversee compliance with applicable laws as well as this Code. Senior management must routinely review and assesses the quality and efficiency of the management system.
  - 5.1.11.2. Risk Management: Suppliers must establish a process to identify the environmental, health and safety and ethical risks associated with their labor practices. In addition, management should develop appropriate processes to control identified risks and ensure regulatory compliance.
  - 5.1.11.3. Training: Management must maintain appropriate training programs for managers and workers to implement the standards in this Code and to comply with applicable legal and regulatory requirements.
  - 5.1.11.4. Communication and Worker Feedback: Suppliers must clearly and accurately communicate and educate workers about policies, practices, and expectations. In addition, suppliers must implement a process to assess employees' understanding of the standards and practices covered by this Code.
  - 5.1.11.5. Documentation and Records. Suppliers must create, retain, and dispose of business records in full compliance with all applicable legal and regulatory requirements along with appropriate confidentiality to protect privacy.
- 5.1.12. Environment: Our suppliers must comply with applicable environmental laws. Silego encourages our suppliers to implement systems that are designed to minimize the impact on the environment by the supply chain system, the production process and the products themselves.
  - 5.1.12.1. Environmental Permits and Recordkeeping: Suppliers must obtain and keep current all required environmental permits, approvals and registrations and follow the applicable operational and reporting requirements.
  - 5.1.12.2. Effective Management and Disposal of Hazardous Substances. Suppliers must effectively identify and manage the safe handling, movement, storage, and disposal of chemicals and other substances that pose a threat to the environment. Workers require appropriate training on the safe-handling and disposal of hazardous substances. Suppliers must monitor and control wastewater or solid waste generated from operations before disposing in accordance with applicable laws. Finally, Suppliers must adhere to any required treatment of regulated air emissions before discharging in accordance with applicable laws.
- 5.1.13. Corrective Action: Suppliers' compliance with this Code is subject to Silego's review, including third-party auditing of production facilities and conducting confidential employee interviews. We require suppliers to take

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corrective actions for deviations from the Code, and Silego will track suppliers' remediation efforts. Silego may terminate its relationships with any supplier found to be in violation of the Code, including violation for denying access to Silego-approved auditors.

**6. Reference Materials:**

- 6.1. Silego Employee Handbook

**7. Records:**

- 7.1. When records are required, storage, retention and maintenance of records are specified in DC-02-420, Quality Records. Minimum records required, if any are listed below.