

Introduction

Underpinning SSMC's* commitment to responsible corporate citizenship and the pursuit of a sustainable future - economic, social and environmental - the Business Ethics Policy sets out guiding principles on integrity and ethics in the conduct of SSMC's business. They govern SSMC's business decisions and actions and apply equally to corporate actions and to the behavior of individual employees in conducting SSMC's business. They are, however, always subject to applicable laws.

The Policy is not all-encompassing, but formulate minimum requirements of behavior. To drive the practical deployment of the Business Ethics Policy, a set of Business Ethics Directives have been published, which are applicable to all employees. There are also separate Directives which apply to specific categories of employees, such as the Financial Code of the Business Ethics Directives and the Purchasing Code of the Business Ethics Directives. The Directives and the category-specific Directives form an integral part of the Business Ethics Policy. The Business Ethics Policy, which has been adopted by the Management Team of SSMC and approved by its Board of Directors, is reviewed on a regular basis and revised if necessary.

In order to ensure that business ethics are a living issue throughout the company, a training program is in place to heighten awareness of the absolute need for strict compliance with the Business Ethics Policy.

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1 General commitment

SSMC's mission is to deliver best-in-class foundry services and to go the extra mile in order to be the preferred source of advanced semiconductor wafers for its customers.

SSMC wishes to be a responsible partner in society, acting with integrity towards its shareholders, customers, employees, suppliers and business partners, competitors, governments and their agencies and others who can be affected by its activities. SSMC duly observes the applicable rules of the law of the countries in which it operates and regularly reviews its interests and those of affected persons or entities in order to ensure a healthy, long-term relationship with them. SSMC endeavors to adapt to local situations in order to take the most appropriate approach to possible problems within the bounds of applicable law and responsible conduct. In this respect, SSMC supports the principle of dialogue and cooperation with all parties involved.

1.1 Human rights

With due regard to the Universal Declaration of Human Rights, which states that all parties in society, including corporate persons, have a duty to respect and safeguard human rights, and within the framework of the legitimate role of businesses, SSMC supports and respects human rights and strives to ensure that its activities do not make it an accessory to infringements of human rights.

1.2 Child, bonded and forced labor

Under no circumstances will SSMC make use of forced or bonded labor, nor will it employ children in violation of Conventions no. 138 and no.182 of the International Labour Organization.

1.3 Free market competition

SSMC supports the principle of free market competition as a basis for conducting its business and observes applicable competition laws and regulations.

1.4 Product safety

SSMC aims, at all times, to supply safe products and services.

1.5 Privacy

The privacy of personally identifiable information about customers, employees, business partners and other individuals will be protected.

1.6 Environmental protection

Consistent with SSMC's commitment to sustainable development, it will do all that is reasonable and practicable to minimize any adverse effects of its activities on the environment.

2 Commitment towards customers

SSMC is driven to go the extra mile for its customers. Its goal is to constantly delight each customer with best-in-class foundry services. To this end, the company seeks to maintain an ongoing dialogue with its customers. SSMC is committed to listen to and learn from them, so that it is able to design and deliver the solutions they really want and need. SSMC will always deal with its customers in a fair and forthright manner, maintaining the highest levels of integrity.

3 Commitment towards shareholders

It is of central importance to SSMC to conduct its operations in accordance with the highest standards of internationally accepted principles of good corporate governance. SSMC aims to achieve a satisfactory return on equity. SSMC attaches great value to its relations with its shareholders and provides timely, regular and reliable information on its activities, structure, financial position and performance through its Board of Directors.

4 Commitment towards employees

SSMC values its employees as a key resource. An atmosphere of good employee communication, involvement and responsibility is of central importance, and an employee's personal development and optimum use of talents is encouraged.

4.1 Right to organize

SSMC respects and recognises employees' lawful rights to associate with others, form and join (or refrain from joining) organizations of their choice, and bargain collectively (through their chosen representatives) without interference, discrimination, retaliation, or harassment.

4.2 Health and safety

SSMC will do all that is reasonable and practicable to protect the health and safety of its employees.

4.3 Equal and fair treatment

Every employee has equal opportunities and will be treated equally in employment and occupation regardless of personal background, race, gender, nationality, age, sexual preference or religious belief. The same applies to the recruitment of employees. SSMC strives to offer equal pay for equal work.

4.4 Wages and payment

Remuneration and working hours shall comply with local labor laws and shall at least be in line with prevailing industry norms.

4.5 Non-Harassment and Abuse

SSMC is committed to a workplace free of harassment, violence and abuse. Employees shall not be subjected to harsh or inhumane treatment, including but not limited to verbal abuse and harassment, psychological harassment, mental and physical coercion, and sexual harassment.

4.5.1 Definition of Sexual Harassment

Sexual harassment is any unwelcome conduct of a sexual nature which makes a person feel offended, humiliated and/or intimidated. It includes situations where a person is asked to engage in sexual activity as a condition of that person's employment, as well as situations which create an environment which is hostile, intimidating or humiliating for the recipient.

4.5.2. Victim Support

SSMC will provide necessary support and assistance to victims, including victims of physical or sexual assault, sexual harassment or repeated bullying.

4.6 Freedom Of Movement

All employees shall have the right to freely enter into and to terminate their employment.

SSMC does not confine or restrict employees' freedom of movement inside the place of production or facilities, including access to drinking water or access to bathrooms except where necessary for employee safety and permitted by applicable laws and regulations.

SSMC does not track employees' real-time movement at the workplace by requiring employees to wear any tracking devices unless for the monitoring of workplace health and safety.

5 Commitment towards suppliers and business partners

SSMC pursues mutually beneficial relationships with its suppliers and business partners. It seeks to award business to suppliers and business partners who are committed to act fairly and with integrity towards their stakeholders and who observe the applicable laws of the countries in which they operate.

6 Assets and information

6.1 Use and protection of assets

Each employee is responsible for the proper use, protection and conservation of SSMC's assets and resources as well as confidential information disclosed to SSMC by its business partners. SSMC's assets and resources as well as any opportunities arising by virtue of one's position, are to be used solely to pursue and achieve SSMC's goals and not for personal benefit.

6.2 Improper disclosure

SSMC regards information for the purpose of its business as a corporate asset that must be protected against loss, infringement and improper use and disclosure.

SSMC is committed not to make use of information disclosed to it by a third party if it suspects that the disclosed has violated an obligation of confidentiality, unless the information:

- a) is generally available to the public other than as a result of disclosure by SSMC;
- b) has been independently developed by SSMC; or
- c) becomes available to SSMC either on a non-confidential basis from a third party who is not bound by any confidentiality obligations, or by operation of law.

6.3 Insider trading

All employees shall comply with SSMC's insider trading rules. This means that non-public information which might influence the market price of the shares of SSMC's publicly-listed shareholders shall be kept in strict confidence until publicly released by authorized parties. Furthermore, employees who have sensitive information which could influence the price of shares of SSMC's publicly-listed shareholders

and related rights, must refrain from directly or indirectly executing transactions in such shares and related rights.

Additionally, employees have to comply with statutory rules and regulations concerning insider trading with respect to securities of other listed companies.

6.4 Social Media

Social media offers an opportunity to connect and share information about SSMC. All employees shall use social media in a responsible, respectful manner and do not post personal data or use offensive or demeaning language. We never disrespect competitors, customers or other stakeholders and do not bring SSMC into disrepute. We do not disclose, comment on, or discuss confidential information including financial information, business plans or intellectual property rights. When using social media, we respect the privacy of our colleagues and other stakeholders.

7 Business integrity

7.1 Bribery; records of transactions

SSMC insists on honesty, integrity and fairness in all aspects of its business. Bribes in any form are unacceptable; commission payments and personal gifts or favors may only be made or accepted in strict accordance with the Directives. SSMC strives to comply with the highest levels of transparency and accountability throughout the company. Records of transactions should be maintained in an accurate, complete and timely manner in accordance with SSMC accounting principles. No unrecorded funds or assets should be established or maintained.

7.2 Third-party interests

Employees are not allowed to have any direct or indirect financial interest in a supplier or competing company with the exception of a financial interest in a publicly traded company.

7.3 Political payments

SSMC shall not make payments or donations, in money or in kind, to political parties, political organizations or individual politicians, unless such payments are made in strict accordance with the Directives.

7.4 Artificial Intelligence

Artificial intelligence (AI) tools like ChatGPT or similar AI tools come with substantial risks of leakage of confidential information or intellectual property (IP) when used for business purposes.

SSMC shall focus on design, development and deployment of AI systems that are ethical and safe and in an uttermost responsible manner guided by our core values.

To protect SSMC IP and the value of the company, all AI tools and applications deployed within SSMC shall undergo strict review and approvals by SSMC's appointed AI Governance and Advisory Council, AGAC (the Council), where the Council shall include and undertake reference to known and established standards from International and Singapore's AI Governance Framework, to deliver the Council's decision and approval of use in SSMC by both internal and external stakeholders.

All employees shall be mindful of the risks, limitations, and ethical implications when using AI. In particular, all employees shall comply with such decisions and approvals as may be delivered by the Council.

Non-compliance could result in ethical, security issues, IP breaches and infringement, reputation and financial damages and compliance violations.

8 Observance of the Business Ethics Policy

8.1 Sanctions

All SSMC employees must comply with the Business Ethics Policy. Violation may lead to disciplinary action, including dismissal, notwithstanding any further civil or criminal action that may be taken.

8.2 Whistleblower policy

In order to promote the reporting of violations of the Business Ethics Policy, a whistleblower policy is in place, enabling employees to submit complaints on an anonymous basis without fear of the complaints leading to retaliatory action.

8.3 Compliance

Compliance with the Business Ethics Policy is monitored by the Management Team of SSMC and its Compliance Officer and legal advisors, one of whom shall also take on the role of the Compliance Officer. Reporting on compliance with the Policy is also an integral part of the Statement on Business Controls issued annually by the management of SSMC on the request of its shareholders. Compliance processes and procedures are audited by the Corporate Internal Audit department of NXP.

A handwritten signature in black ink, appearing to read "Lim Soon", is positioned above a horizontal line.

Lim Soon
CEO

* In this Business Ethics Policy and supplementary Directives, the expression "SSMC" is used to refer to Systems on Silicon Manufacturing Company Pte. Ltd.