

THE SUSTAINABILITY

ENVIRONMENT PRESERVATION IS SEEN NOT AS A "COST"

ENVIRONMENT, HEALTH & SAFETY

This year, a testimony to our commitment to environment, health and safety culture, SSMC achieved record 8.9 million man-hours without any reportable incidents.

Our commitment is further applauded in our winning of the annual Workplace Safety and Health Innovation GOLD Award; we are proud to be the winner for four consecutive years. This show we can contrive innovation in our workplace with a safety excellence mindset.

To further demonstrate our commitment in Occupational Health & Safety practice in all aspects of our business, SSMC has led some CEOs and management executives from the 39 leading Semiconductor suppliers and vendors with a pledge to uphold safety. Also, in joint collaboration with Workplace Safety and Health Council, SSMC had

organized CEO Workshop on bizSAFE level 1 to aid its partners to start their bizSAFE journey.

Moreover, SSMC's effort in promoting workplace safety and health has been affirmed as we became the first Wafer Fab to receive bizSAFE Star Award in 2011 – the highest level of achievement in bizSAFE programme.

The bizSAFE programme promotes workplace safety and health (WSH) in Singapore by improving capabilities to implement risk management and WSH management systems at workplaces. This initiative is strongly supported by the Ministry of Manpower (MOM). There are 5 levels of achievement, with Level 5 "bizSAFE STAR" as the pinnacle. SSMC is the first Semiconductor Wafer Fab to earn this top honour.



SSMC also actively engaged its two adopted schools under National Environment Agency (NEA)'s Corporate and School Partnership (CASP) program, to promote greater environment awareness in our future generations. This year, together with Meridian Junior College (MJC), SSMC jointly hosted an environment camp and facility visit for 50 students from 3 neighboring primary schools (Elias Park, Park View and Meridian). Besides sharing various recycling programs in its manufacturing facility, SSMC also provided recyclable packaging materials for students to build structures of dustbins. The program helped to encourage our young children to inculcate habits of recycling.

"Really thank you for planning the program for the children at SSMC. It was really very enriching for all of us. In fact we were so impressed with your company's effort in recycling that we would like to invite you all to help us build up our recycling habits in MJC." Mr Chong Kian Seng and Mr Teo Cheng Guan, Teachers of MJC.

Also on 13 Sep, unfazed by the scorching hot sun in the afternoon, SSMC environmental committee and volunteers joined students from its adopted school Siglap Secondary School, to clean up the beach of Pasir Ris Park. This activity allowed the participants to make a positive contribution to our local environment. By removing waste from the coastal areas, we have created a safe and enjoyable space for all the community to enjoy.

BUSINESS CONTINUITY MANAGEMENT

On 16th Aug 2011, in the National Security Dialogue event organized by Singapore Business Federation, SSMC made a strong presence in sharing its experience in building robust and competitive business through BCM. More than 700 participants and representatives from 11 business community and government authorities, including Deputy Prime Minister and 3 Ministers of State were gathered to highlight the importance of business continuity.

In the panel discussion, Mr. Jagadish CV, CEO of SSMC, shared one of the benefits of BCM in enhancing business competitiveness, "We have to do this to assure continued production delivery; uninterrupted foundry services and wafer supply to customers. We must strengthen our business robustness and sustainability via good BCM practice; this is especially true when we are producing wafer for high level security products for banking and e-Government services where SSMC is holding one of the top position in niche electronics chip making."

In the most recent incident of Japan earthquake and tsunami hit on March 11, SSMC demonstrated how its operations anticipated adverse impact from supply chain interruption. It is note worthy that the scenario SSMC practiced in the annual BCM drill, which was conducted just a few months before this incident, was exactly the one SSMC needed to activate; and the experience gained through the drill was truly useful and relevant. SSMC were able to ride smoothly, all risk were properly mitigated during the supply chain interruption.

STRATEGIC GOODS EXPORT CONTROL

Governments worldwide control the export of goods for various reasons depending on the nature and destinations of the proposed export. The export of strategic goods and technology are controlled because of national security and foreign policy, international legal obligations (treaties and agreements), concerns about human rights and internal repression or terrorism.

The Strategic Goods (Control) Act (SGCA) of Singapore regulates the physical and electronic transfer (ITT) as well as the brokering of strategic goods and strategic goods technology. The strategic goods control list specifies the items that are subject to control under the SGCA.

Since 2009, SSMC has been approved by Singapore Customs for the Strategic Trade Scheme Tier 3 permit to export Wafer and Mask, as well as electronic transmission of Mask data to almost all the countries worldwide.

SSMC HONORS 6 COMPANIES AT SUPPLIER DAY

April 27th, 2011 – SSMC announced recipients of its Top Suppliers and Recognition Award for 2010. These awards recognize SSMC's top suppliers for their overall performance including quality, delivery, service support, commitment and cost competitiveness.



Mr. Jagadish CV, CEO of SSMC recounted in his opening speech the numerous record highs accomplished by SSMC in the area of quality, wafer shipment & utilization.

Mr. Jagadish attributed the success to having a clear strategy, a dedicated team to execute and bring the strategies to fruition and last but not least to SSMC's ability to work cooperatively with our partners (suppliers and customers alike) as key in creating such competitive advantage. He also brought the attention of the all to the good mix of awarded suppliers from OEMs, MNCs who are major market players in their own field and highly regarded second sources as a clear demonstration of SSMC's commitment to:

- 1) work with major players in the market who continue to deliver value add, technology, innovative and cost effective solutions to meet our business needs and
- 2) partner and participate in the development of new capabilities, alternative solutions with alternative suppliers.

He pointed out that it is only through this fine balance and partnership will SSMC be able to compete in this dynamic semiconductor industry.



The highlight of the event was the presentation of the SSMC's Supplier Awards.



"In any partnership, there must be sustained effort to listen to each other, to understand and respond to each other's requirement, to tap on each other's resources and strength and to seek common ground for win-win solution" said Lee On Nam, VP of Corporate Services.

He encourages suppliers to come up with innovative, feasible and cost effective solutions and said in return, SSMC will offer the suppliers our manufacturing excellence, commitment to evaluate your business proposition, speed to deliver the result and a platform to launch the fruits of our joint partnership and development to rest of world.

IMPACT ON SOCIETY

MAKING A DIFFERENCE TO OUR COMMUNITY

2011 was another fruitful year where we make a difference to our community. Led by our SRC community team, SSMC colleagues and family members were actively engaged in the various programs and services that exhibited the spirit of giving and sharing.

SRC COMMUNITY ACTIVITY HIGHLIGHTS IN 2011



JAPAN TSUNAMI RELIEF FUND

In our 3 weeks in-house charity drive, we successfully collected S\$11,727 from more than 300 employees' donation. SSMC management matched every dollar donated and in total, S\$23,474 was raised.

On 1st Apr, our CEO, JagadishCV, presented the S\$23,474 cheque on behalf of SSMC to Mr. Anis Maricar, volunteer division head of Singapore Red Cross Society. Jagadish was accompanied by our colleagues from management team, SRC members, Japanese colleagues and various donors. The money raised indeed showed SSMC cares beyond Singapore - for the global community.



BLOOD DONATION DRIVE

The year ended with our annual blood donation drive. We had 79 staff registered as blood donors and 66 bags of blood collected - a 25% increase from 2010. Thanks to all who shared the gift of life at the Christmas season!



KHENG CHIU HAPPY LODGE OLD FOLKS HOME

The community team's challenge was to provide a high engagement visit program with the old folks and thus, the Kheng Chiu Talent Competition was born! Three major factors greatly contributed to its success. Firstly, our employees raised fund to cover the cost of the program (goodie-bags and buffet lunch). Secondly, the time and commitment of our employees and family members who were there, on a Saturday, to support, participate and assist in the visit. Thirdly, our school partner, Meridian Junior College, who has twenty five energetic students to plan and ran the event with us.



Talent show participants included Kheng Chiu residents in their 70s and 80s, Meridian JC students as well as SSMC employees & families. It was indeed a rewarding Saturday to see many old folks beaming with smiles and enjoying both the program and buffet lunch provided.



SSMC FAMILY CARNIVAL DAY WITH COMMUNITY INVOLVEMENT

SSMC Carnival started with a big bang! This is a SSMC Family Carnival organized by our SRC (Sports, Recreation and Community) team for our employees and families, our community as well as guests.

Our community partners: Hougang Student Care Service (SCS), Singapore Association of the Visually Handicapped (SAVH), Kheng Chiu Happy Lodge, Meridian Junior College, participated in their own special way to make this event a memorable one for all. The carnival participants were entertained by the hilarious rock-n-roll dance from Kheng Chiu residents as well as a percussion band item from Hougang SCS boys, aged thirteen. SSMC was glad to be able to provide an environment where the young and old can build their performing skills and confidence. SAVH, on the other hand, was invited to set up a mobile massage service and touch art handicraft stalls during the carnival. A total of S\$511 was raised through these stalls that can be used to further enhance their welfare. This was indeed a great way to collaborate and partner our community!

