

# molex<sup>®</sup> SOCIAL RESPONSIBILITY (SR)POLICY

## MOLEX CODE OF CONDUCT FOR SUPPLIERS

### 1.0 PURPOSE

Molex has set high standards for its suppliers to ensure that they treat their workers and employees fairly and with dignity and respect, maintain safe working conditions, and conduct business and manufacturing activities in an environmentally safe and responsible manner. The Molex Code of Conduct for Suppliers(the "Code") defines the expectations of all current and future suppliers, subcontractors and contract manufacturers who supply components, materials and services used to manufacture Molex products or to otherwise provide support services ("Suppliers").

### 2.0 SCOPE

All Suppliers are expected to comply with theCode in all their business dealings. Where a Supplier uses a subcontractor (or makes use of a temporary labor agency), the expectation is that the Supplier has issued theCode to the subcontractor and that the subcontractor also complies with theCode.

Failure to comply with the Code will be sufficient grounds for Molex to terminate its contract with the Supplier and may result in its removal from Molex's Approved Vendor List (AVL).

### 3.0 REFERENCE DOCUMENTS

- Molex Code of Business Conduct and Ethics
- Global Environmental, Health & Safety (EH&S) Policy (QEHS-699000-002)
- Molex Chemical Substances Specification for Products and Packaging: Supplier Requirements (QEHS-699000-300)
- Molex Conflict Minerals Policy (QEHS-699000-009)
- Molex Code of Conduct for Suppliers Certification Form (CSR-699010-701)

### 4.0 DEFINITIONS

#### 4.1 BONDED

Refers to workers forced to work for an employer for a fixed time without being paid, often as a way of paying a debt.

#### 4.2 CHILD LABOR

Refers to any person under the age of 15, under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest.

#### 4.3 COMPANY

The entirety of any organization or business entity responsible for implementing the requirements of theCode, including all personnel employed by the company.

#### 4.4 FORCED AND COMPULSORY LABOR

All work or service that a person has not offered to do voluntarily and is made to do under the threat of punishment or retaliation, or is demanded as a means of repayment of debt.

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## 4.5 INDENTURED LABOR

A worker under contract to work (for a specified amount of time) for another person, often without any pay, but in exchange for accommodation, food, other essentials and/or free passage to a new country.

## 4.6 MANAGEMENT REPRESENTATIVE

A member of senior management personnel appointed by the company to ensure that the requirements of the standard are met.

## 4.7 PERSONNEL

All individual men and women directly employed or contracted by a company, including directors, executives, managers, supervisors, and workers.

## 4.8 PRISON LABOR

Work that is performed by convicts in a prison. Prison labor is considered as unfree labor.

## 4.9 SUPPLIER/SUBCONTRACTOR

An organization that provides Molex with goods and/or services integral to and utilized in or for the production of the company's goods and/or services. This includes organizations providing contract labor.

## 4.10 WORKER

All non-management personnel.

## 4.11 WHISTLEBLOWER

Any person who makes a disclosure about alleged improper conduct by an employee or officer of a company, or by a public official or official body.

## 4.12 YOUNG WORKERS

Any person older than the applicable legal minimum age for employment but are younger than 18 years of age. This is also known as juvenile workers.

## 5.0 REQUIREMENTS

All Suppliers to Molex shall comply with all applicable legal requirements and, where appropriate, conform to additional requirements specified by Molex customers. If the requirements in this standard are more prescriptive (more strict) than local laws then these requirements should be followed. Likewise, if local laws are more prescriptive (more strict) then they should be followed.

Molex expects its Suppliers to communicate the Code to their employees and their own suppliers, and for their employees and suppliers to adhere to them.

Suppliers shall be familiar with, and conform to, the additional supplier requirements documents located in the "About Us" section on the Molex extranet (<http://www.molex.com>) and referenced on SupplierNet ([www.suppliers.molex.com](http://www.suppliers.molex.com)).

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## 5.1 LABOR AND HUMAN RIGHTS

Supplier shall uphold the human rights of workers and treat them with dignity and respect.

### 5.1.1 FREELY CHOSEN EMPLOYMENT

Suppliers shall not use forced, bonded, indentured labor or involuntary prison labor. Slavery or trafficking of persons shall not be used. This includes transporting, harboring, recruiting or transferring or receiving vulnerable persons by means of threat, force coercion, abduction or fraud for the purpose of exploitation. All work will be voluntary and all workers will be free to leave upon reasonable notice. Workers will not be required to hand over government-issued identification, passports or work permits as a condition of employment except to the extent that the Supplier needs brief access to such documents in order to comply with applicable laws.

Suppliers shall ensure that third party agencies providing workers to the Supplier are compliant with the provisions of the Code and the laws of the sending and receiving countries, whichever is more stringent in protecting workers. Suppliers shall ensure that contracts for both direct and contract workers clearly convey the conditions of employment in the language understood by the worker. Where workers are required to pay fees in connection with obtaining employment, Suppliers shall be responsible for payment of all fees and expenses in excess of the amount of one month of the worker's anticipated wages. Such fees and expenses include, but are not limited to, expenses associated with recruitment, processing or placement of both direct and contract workers.

### 5.1.2 CHILD LABOR AVOIDANCE

Suppliers are not permitted to employ or use child labor for any purpose. The term "child" refers to any person under the age for completing compulsory education, under the minimum age for employment in the country, under the age of 15, whichever is greatest. Workers shall be hired only after they have presented legitimate proof of age which meets local age qualification laws. The use of legitimate workplace apprenticeship programs that comply with all applicable laws and regulations is supported. In compliance with local laws, workers under the age of 18 should not perform hazardous work and may be restricted from night work with consideration given to educational needs.

### 5.1.3 WORKING HOURS

Workweeks are not to exceed the maximum set by local law. 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 per seven-day week.

### 5.1.4 WAGES AND BENEFITS

Compensation and benefits provided to workers shall comply with all applicable laws and regulations, including those relating to minimum wages, overtime hours and any legally mandated benefits. Any disciplinary wage deductions are to conform to local law. The basis on which workers are paid is to be clearly conveyed to them in a timely manner by a pay stub or similar documentation.

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## 5.1.5 HUMANE TREATMENT

Suppliers shall not engage in harsh or inhumane treatment of its workforce. This includes sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of employees, as well as any threats or acts of violence, all of which are strictly prohibited and not tolerated. Disciplinary actions shall be in compliance with local laws and shall be free from unlawful financial deductions.

## 5.1.6 NON-DISCRIMINATION

Suppliers shall maintain a workforce free of harassment and discrimination. Molex prohibits and does not tolerate unlawful discrimination based on race, color, age, gender, gender identity, sexual orientation, ethnicity, disability, religion, political affiliation, veteran status, marital status or any other protected category in hiring and employment practices such as promotions, rewards, and access to training. In addition, workers are not to be subjected to medical/pregnancy tests for the purposes of unlawfully discriminating against such an individual.

## 5.1.7 FREEDOM OF ASSOCIATION

Suppliers shall respect the rights of workers to associate freely, join or not join labor unions, seek representation, join worker councils, in accordance with local laws. Suppliers shall maintain open channels of communication with their workforce. Workers shall be free to communicate openly with management regarding work place issues without fear of reprisal, intimidation or harassment.

## 5.2 ENVIRONMENTAL, HEALTH AND SAFETY (EH&S) MANAGEMENT

Suppliers shall integrate sound environmental, health and safety management practices into their business operations and operate in full compliance with laws and regulations. Suppliers shall conform to the Molex's Global Environmental, Health and Safety (EH&S) Policy.

### 5.2.1 OCCUPATIONAL HEALTH AND SAFETY

Suppliers shall integrate sound health and safety management practices into all aspects of business. Suppliers shall comply with applicable legal regulations and implement and continually improve environmental, health and safety (EH&S) performance.

Worker exposure to potential health and safety hazards shall be controlled through proper design, engineering and administrative controls, preventative maintenance, safe work procedures, 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 (PPE). Workers shall not be disciplined for raising health or safety concerns.

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

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and drills, appropriate fire detection and suppression equipment, site evacuation and recovery plans.

Procedures and systems shall 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 the return of employees to work.

Sites with on-site dormitory and canteens shall ensure employees are provided with ready access to clean toilets, potable water, and sanitary food preparation, storage, and eating sites. Worker dormitories shall be clean and safe, provided with appropriate emergency egress, hot water for bathing and showering, and adequate heat and ventilation and reasonable personal space along with reasonable entry and exit privileges.

Employees shall be provided with appropriate health and safety information and training. Employees are encouraged to initiate and participate in safety committees to enhance and continually improve the working environment.

## 5.2.2 ENVIRONMENTAL IMPACT

Suppliers shall comply with applicable legal regulations and continually improve environmental, health and safety (EH&S) performance. This includes, but is not limited to areas such as, environmental permitting and reporting, hazardous substance management and control, wastewater management, solid and hazardous waste management and disposal, and air emission management. Suppliers shall reduce or eliminate emissions and discharges through pollution prevention activities.

## 5.2.3 PRODUCT COMPLIANCE

Suppliers shall ensure they comply with all laws and regulations that restrict or prohibit the use of certain chemical compounds as constituents of products. Suppliers must comply with all national laws and regulations regarding the labeling, recycling and disposal of chemicals and materials, especially those materials designated as hazardous waste. Suppliers shall conform to the latest version of the **Molex Chemical Substance Specification (MCSS)(QEHS-699000-300)**.

## 5.2.4 RESPONSIBLE SOURCING OF MINERALS

Suppliers of materials that contain tin, tantalum, tungsten, and/or gold shall have a policy to ensure they do not directly or indirectly finance or benefit armed groups that are responsible or linked to serious human rights abuses in conflict-affected mines and high-risk areas, including the eastern region of the Democratic Republic of the Congo. Suppliers shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available upon request. For more information please reference the **Molex Conflict Minerals Policy (QEHS-699000-009)**.

## 5.3 ETHICS

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Molex expects its Suppliers to be committed to the highest standards of ethical business conduct in all their business dealings.

## 5.3.1 CONFLICT OF INTEREST

Molex expects business decisions to be made in the best interest of the company. Any situation that creates or appears to create a conflict between personal interests and the interests of Molex must be avoided. A conflict of interest may arise when doing business with an organization that employs or is partially or fully owned by a Molex employee or an employee's family members or close personal friends. Suppliers are expected to disclose actual or potential conflicts of interest to Molex.

## 5.3.2 NO IMPROPER ADVANTAGE

Molex strictly abides by all anti-bribery and corruption laws, including the U.S. Foreign Corrupt Practices Act and U.K. Bribery Act, and expects Suppliers to act in a similar manner. Suppliers may not pay bribes or engage in unfair business practices in order to advance Molex's business interests. This includes, directly or indirectly, offering, promising to pay or authorizing the payment of anything of value to foreign government officials as defined by the FCPA or offering or soliciting (and receiving) a bribery from a non-foreign official in a commercial setting in an effort to influence any business decision that would assist Molex in obtaining or retaining business, or securing any improper business advantage.

## 5.3.3 GIFTS AND ENTERTAINMENT

Gifts and entertainment are not needed in order to conduct business with Molex, and may lead or appear to lead to a conflict of interest. In many industries and countries, gifts and entertainment are used to strengthen business relationships. Throughout the world, one principle is common and clear: No gift or entertainment should be provided or accepted if it will obligate or appear to obligate the recipient.

Gifts and entertainment may be provided if they are reasonable complements to business relationships, or of modest value, and, in any event, not against the law or Molex's Code of Business Conduct and Ethics. Molex employees may not accept gifts and entertainment valued at more than \$250 (USD). Some Molex business entities may have a more stringent policy regarding accepting gifts and entertainment. In that case, Molex expects its Suppliers to comply with the more stringent policy. Molex expressly prohibits the following situations for Molex employees:

- Requesting or soliciting personal gifts, entertainment, or services.
- Accepting any gift or entertainment that would be illegal or result in violation of the law.
- Accepting any gift of cash or cash equivalents (such as gift certificates, loans, stock options).
- Accepting anything offered as "quid pro quo" or as part of an agreement to do anything in return for the gift or entertainment.
- Accepting bribes or kickbacks.

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- Participating in any entertainment that is unsavory, sexually oriented, or otherwise violates our commitment to mutual respect.
- Participation in any activity that would cause the person giving the gift or entertainment to violate his or her own employer's standards.

## 5.3.4 DISCLOSURE OF INFORMATION, PROTECTION OF IDENTITY AND PRIVACY

Suppliers are expected to safeguard Molex's confidential information by keeping it secure, limiting access to those who have a need to know in order to do their job, and avoiding discussion of confidential information in public areas, for example on planes, in elevators and on mobile phones. Molex's confidential information may not be disclosed to unauthorized third parties without the express prior written consent of the appropriate Molex employee. Examples of confidential information include intellectual property, financial information, business plans and processes, contracts, customer information, employment and personnel records, identities of whistleblowers and related investigations, and any other information marked or generally regarded as confidential.

The obligation to preserve Molex's confidential information may be ongoing, even after the business relationship ends. Molex will respect and safeguard the confidential information of its Suppliers.

## 5.3.5 FAIR BUSINESS, ADVERTISING AND COMPETITION

Molex believes in free and open competition, and strictly abides by all applicable fair competition and antitrust laws in the many countries where Molex conducts business. Suppliers are expected to comply with all applicable laws and regulations regarding fair competition, advertising and antitrust.

## 5.3.6 ACCURATE BUSINESS RECORDS

Suppliers are expected to record and report information accurately and honestly.

Suppliers are expected not to hide, fail to record, or make false entries in connection with any business records. All records, including financial and operational records, are expected to accurately reflect transactions, payments and events.

## 5.3.7 OTHER LEGAL REQUIREMENTS

Suppliers are expected to comply with all applicable laws, including local, state, provincial, and national laws, codes, rules and regulations as well as all applicable treaties, not otherwise set forth in Molex's Code of Conduct for Suppliers.

## 5.3.8 MONITORING AND COMPLIANCE

Suppliers are expected to notify Molex immediately if they become aware of any non-compliant practices by themselves, their employees and their own suppliers under the Code. Suppliers are further expected to promptly develop and implement plans or programs to correct any such practices. Suppliers should also be aware of the fact Molex engages in various monitoring activities to confirm compliance with the Code including conducting its own and independent thirdparty site inspections and audits.

## 5.3.9 QUESTIONS OR CONCERNS

Molex strongly encourages any Supplier who feels pressured by a Molex employee or

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another Supplier to violate the Code to promptly raise concerns to Molex's Business Conduct Committee ("BCC"). Please refer to [www.molex.com](http://www.molex.com) and click "About Us" where you will find a "Compliance" link that contains information on how to report a concern to the BCC.

## 5.4 MANAGEMENT SYSTEMS

Suppliers shall adopt or establish a management system designed to ensure conformance with the Code and compliance with applicable laws and regulations and mitigate related operational risks, and facilitate continual improvement.

## 6.0 IMPLEMENTATION

Each supplier shall establish procedures for ensuring conformance with these terms. As part of its supplier review, Suppliers shall certify conformance to this standard by providing a signed **Molex Code of Conduct for Supplier Certification Form(CSR-699010-701)** to their Molex purchasing representative.

As part of its supplier audit program, Molex may also request to inspect supplier facilities. In the event that major non-compliances to this Code are discovered and are not rectified by the Supplier within appropriate timeframes specified by Molex, Molex reserves the right to remove the supplier from its Approved Vendor List (AVL).

## 7.0 EXCEPTIONS

The Code will be used as the foundation for global labor and employment, environmental, health and safety, and compliance and ethics practices for all Suppliers. Therefore, any exceptions to the Code shall be approved by the Molex Global Procurement Council.

## 8.0 APPENDICES

None.

## 9.0 REVISION HISTORY

<u>Revision</u>	<u>Date</u>	<u>Description</u>
A	November 11, 2005	Initial Release.
B	June 18, 2012	Added reference documents, definitions, clarified Section 5.0 including section headers. Added Ethics and Management Systems section.
C	July 18, 2012	Added additional clarification in Sections 5.3 Ethics. Updated reference to certification form in Section 6.0.

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