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Supplier Social Responsibility Code

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1 Purpose

Sony Ericsson Mobile Communication's (SEMC) commitment to honesty and integrity are key factors in its day to day business. Strong business ethics and social responsibility enhances companies' reputations and also plays a part in creating motivational workplaces for its employees, thereby attracting the best employees in the market. It also fosters positive publicity, attracts Customers and Investors and encourages an open and trusting relationship with Suppliers and sub-Suppliers.

For this reason SEMC has implemented an equivalent Corporate Social Responsibility code internally as the external one described in this directive. The SEMC Supplier Social Responsibility Code ("Code") places expectations upon Suppliers to respect fundamental human rights and to treat their workforce fairly and with respect. Suppliers are required to behave in a socially and ethically exemplary way and to conduct business in compliance with all national laws and regulations. SEMC strives to maintain an environment of trust and respect for all its employees, Customers and Suppliers. Accordingly, SEMC requires that all Suppliers adhere to the business ethics listed in this Code.

2 Implementation

2.1 Communication

This document shall be open to the public and shall be communicated to all parties whose work contribute to products and/or provide services to SEMC.

All First Level SEMC Suppliers (hereafter called Suppliers) shall provide evidence and keep SEMC informed about the implementation and compliance with these business ethics. SEMC Suppliers are all suppliers with whom SEMC have direct contracts i.e. component supplier, ODM¹, OEM², consultants etc.

Suppliers shall also be responsible for ensuring that it's Contractors, Suppliers and consultants comply with this Code, as well as assess their performance against it.

If a Supplier is uncertain about the applicability of this Code, or requires additional support in meeting the Code requirements, those inquiries shall be directed to the primary Supplier contact within SEMC or Corporate Sustainability Office within SEMC Organization, e-mail: Sustainability@sonyericsson.com

¹ ODM (Outsourced Design and Manufacturing)

² OEM (Outsourced Manufacturing)

2.2 Monitoring and Compliance

SEMC requires all Suppliers to respect and comply with this Supplier Social Responsibility Code.

SEMC is dedicated to support its Suppliers during the implementation of these Code requirements. This support includes environmental and business ethics activities/assessments/audits and site visits to assess performance against the Code.

Suppliers shall provide SEMC or a SEMC designated party with reasonable access to all relevant information and facilities for the purposes of assessing performance against the Code.

Suppliers shall immediately report to SEMC any serious breaches of the Code, together with an agreed schedule for corrective action. Except to the extent compelled by law, all reporting of actual or potential breaches shall remain confidential between the Supplier and SEMC.

Suppliers are expected to provide a corrective action plan with date of closure for any issues identified during an environmental and business ethics assessment/audit that do not meet the requirements of this Code.

Where serious breaches of the Code persist or recur, SEMC will consider actions or termination of the Supplier's business relationship with SEMC. SEMC understands that there are cultural differences between regions, and will take this into consideration. However, the fundamental requirements described in this Code will be enforced.

3 Supplier Business Ethics Requirements

3.1 Compliance with Laws and Regulations

Each SEMC Supplier shall, in all areas of the organization, comply with all applicable laws, regulations and directives of the countries and regions in which it operates including but not limited to local, national, regional and international laws, regulations and directives. Each SEMC Supplier shall ensure that all its employees receive adequate information and training in relation to all relevant legal, regulatory and internal requirements that apply to their jobs.

If, for any reason, a SEMC Supplier requirement is in violation of any applicable law, the relevant applicable law must always take precedence. When this scenario presents itself, it is the responsibility of the Supplier to immediately inform SEMC.

Each SEMC Supplier shall recognize that its business activities have a direct and indirect impact on the societies in which it operates, and therefore shall endeavor to conduct its business giving due consideration to the interests of its stakeholders, including its employees, customers, suppliers, business partners, shareholders and local communities.



3.2 Basic Human Rights

3.2.1 Equal Employment Opportunities

There shall be equality in the workplace. There shall be no discrimination in the recruitment, salary, training, promotion, dismissal or other general administration of employees (ILO convention No. 111).

No personnel shall commit acts, make advances or comments of a sexual nature, make racial or religious slurs, jokes, or otherwise conduct themselves in a hostile and disrespectful manner.

3.2.2 Fair Employment Arrangements

To the extent at-will employment is permitted by applicable local law:

- All employees are entitled to a written employment contract.
- Employment terms, including wages, working hours and benefits, shall at least be compliant with the legislated minimum level requirements (ILO convention No. 1).
- Employees shall be granted their relevant statutory rights such as annual leave, sick leave and maternity/paternity leave without any form of repercussions.
- There shall be no forced, bonded, involuntary prison or illegal labor. Employees shall be free to leave their employment after reasonable notice (ILO convention No. 29).
- Physical abuse or discipline is prohibited. The threat of any form of abuse, including sexual, verbal, harassment or other forms of intimidation is prohibited.
- Workers shall not be forced to make payments to their employer to enable them to gain employment.
- There shall be no Financial and/or Corporal punishment.

As far as any relevant laws allow, all workers shall be free to join or not to join trade unions and similar external representative organizations for the promotion and defense of their occupational interests, and right of collective bargaining (ILO convention No. 87, 98 and 135).

3.2.3 Child Labor

Each SEMC Supplier shall not permit child labor (a person below the local legal minimum age for labor, depending on the country) and shall endeavor to protect every child from economic exploitation and from performing any work that is likely to interfere with a child's education or otherwise be harmful to a child's development.



Should there not be any local laws preventing child labor then no person younger than 15³ years of age shall be permitted to perform labor. Workers may be 14⁴ years of age under the special circumstances as specified in Article 2.4 of the ILO Convention No.138 on Minimum Age and Convention No. 6 Night work of Young Persons.

According to Article 1 of the UN Convention on the Rights of the Child, persons under the age of 18 are children. SEMC encourages Suppliers to ensure persons under the age of 18 are treated with special consideration, ensuring the best interests of the child.

3.2.3.1 Apprenticeship Programs

Apprenticeship programs for children between the ages of 12 and 15 years are accepted in countries where the law permits such programs, but only under certain conditions, (ILO convention No. 33)

- The total numbers of hours spent on light work and school together may never exceed seven hours per day.
- The employer must be able to prove that:
 1. Work is not interfering with the child's education
 2. Apprenticeship is limited to a few hours per day
 3. The work is light and clearly aimed at training
 4. The child is properly compensated

3.3 Safety Requirements

3.3.1 Safe and Healthy Working Conditions

The Supplier shall have a documented Health and Safety Management System and/or documented procedures for the proactive management of health and safety. Such management system should satisfy the requirements of OHSAS 18001 or other internationally recognized standards.

The Supplier shall provide a safe, healthy, pollution free and productive environment in order to ensure the well-being of the employees as well as the quality of SEMC products and services (ILO convention No. 155).

Adequate steps shall be taken to prevent workplace accidents and injury to employee, Customer, and Supplier health. Hazards inherent in the workplace and environment shall be eliminated.

3.3.2 Medical Care

Adequate First Aid supplies shall be available to all employees. There shall be at least one person available during all working hours is trained in basic First Aid treatment (or such greater number of persons as is appropriate under the circumstances).

³ Age limit derived from Article 2.3 of ILO Convention No. 138 on Minimum Age for Admission to Employment.

⁴ Age limit derived from Article 2.4 of ILO Convention No. 138 on Minimum Age for Admission to Employment.



The employer must cover the cost of medical care for injuries that occur from work activities.

3.3.3 Facility Safety

Worker health and safety must be managed in such a way to ensure workplace injuries are eliminated. The Supplier shall ensure that:

- a) Emergency Preparedness procedures including evacuation plans are communicated to all employees.
- b) Evacuation plans are maintained and clearly posted throughout the facilities.
- c) An adequate number of emergency exits and locations are available in all areas, are clearly displayed and are kept unobstructed at all times.
- d) The fire alarms are tested regularly. Regular evacuation drills are recommended.
- e) Employees receive appropriate health and safety training.
- f) The temperature and noise level of the work environment are compliant with local law.
- g) Workplace ventilation is adequate and in compliance with local law
- h) Lighting is sufficient for the work performed.
- i) All employees have access to clean toilet facilities, drinkable water and, if applicable, sanitary facilities for food storage.

3.3.4 Chemical Safety

All chemicals must be handled in a safe manner.

Information concerning chemical hazards, MSDS (Material Safety Data Sheet) or equivalent must be available to all employees in their language. This information includes:

- Chemical name
- Hazardous constituents
- Physical data
- Fire and explosion hazard data
- Health hazard data
- Reactivity data
- Spill or leak procedures
- Safe handling data
- Required personal protective equipment

All chemical containers must be marked and labeled according to material content.

Employee training on chemical safety and hazardous material handling must be performed for all employees who may come in contact with hazardous materials.

Required personal protective equipment must be worn by employees engaged in hazardous material handling.

Required hazardous material spill clean-up materials must be available to clean potential spills or leaks.

3.3.5 Housing Conditions

Where employee housing facilities are provided, worker safety must be prioritized. Where an employer provides accommodation, it shall be clean, safe and must meet the basic needs of employees; the appropriate safety and workplace conditions described in this document shall apply to housing facilities.

Each employee must be provided with one individual bed, and the living space per employee must meet the minimum legal requirement.

There shall be no restriction on an employee's rights to leave the dormitory during non-working hours.

4 References

- The United Nations Universal Declaration of Human Rights
- UN Convention on the Rights of the Child
- International Labor Organization Conventions on Labor Standards:
 - Convention 1 (Hours of work)
 - Convention 6 (Night Work of Young Persons)
 - Convention 29 (Forced labor)
 - Convention 33, 138 (Minimum Age)
 - Convention 87, 98, and 135 (Freedom of Association)
 - Convention 111 (Discrimination)
 - Convention 155 (Occupational safety & health)