



## QUALITY PROCEDURE

### Corporate Social & Environmental Responsibility Supplier Code of Conduct (Code of Supplier Conduct)

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Adopted: March 6, 2019  
Updated: November 4, 2020

Diodes Incorporated and its worldwide subsidiaries (collectively, "**Company**") has based its Corporate Social & Environmental Responsibility ("**CSER**") Supplier Code of Conduct, also referred to as Code of Supplier Conduct ("**Code**") on the Responsible Business Alliance ("**RBA**"), formerly the Electronic Industry Citizenship Coalition ("**EICC**"), Code of Conduct. The RBA Code of Conduct establishes standards to ensure that working conditions in the electronics industry or industries in which electronics is a key component and its supply chains are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically. For information about the RBA or to access the latest RBA Code of Conduct in its entirety and in other languages, visit <http://www.responsiblebusiness.org/>.

This Code applies to suppliers, vendors, contractors, consultants, or business partners that sell goods or provide services to the Company (individually "**Supplier**" and collectively, "**Suppliers**"). We expect our Suppliers and the suppliers in their supply chain to align their business practices and operations with the social, environmental, and ethical requirements contained in this Code and to draw on internationally recognized standards to continue to advance social, environmental, and ethical responsibilities.

In addition to compliance with this Code, the Company expects our Suppliers to comply with all applicable laws and regulations as well as government directives, ordinances of the countries in which the Suppliers operate, and the Company's standard terms and conditions of purchase or the terms contained in contracts between the Suppliers and the Company, if any. The Company may suspend or terminate our relationships with any Supplier that fails to meet these requirements.

The Company does not tolerate unlawful or unethical behavior from our Suppliers and expect our Suppliers to join our efforts to always do business the right way and in a manner consistent with our Code of Business Conduct. Suppliers are encouraged to communicate to the Company any concerns about any possible or suspected illegal or unethical behavior, including any violations of the Code. Suppliers may contact the Company directly or through the third party operated hotline services at <https://reportlineweb.com/diodes> or <https://www.diodes.com/about/company/sustainability/social-responsibility/#accordion-27> to make good-faith reports of compliance, ethics, policy, or legal concerns or violations.

#### A. LABOR

Suppliers are committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker.

##### 1) Freely Chosen Employment

Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery, or trafficking of persons shall not be used. This includes transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction, or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities. As part of the hiring process, workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms. All work must be voluntary and workers shall be free to

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leave work at any time or terminate their employment. Suppliers and agents may not hold or otherwise destroy, conceal, confiscate, or deny access by employees to their identity or immigration documents, such as government-issued identification, passports, or work permits, unless such holdings are required by law. Workers shall not be required to pay Suppliers' or agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

## 2) Young Workers

Child labor is not to be used in any stage of manufacturing. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. Suppliers shall ensure proper management of student workers through proper maintenance of student records, due diligence of educational partners, and protection of students' rights in accordance with applicable law and regulations. Suppliers shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks.

## 3) Working Hours

Studies of business practices clearly link worker strain to reduced productivity, increased turnover, and increased injury and illness. Working hours 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 every seven days.

## 4) Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours, and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch, and outsourced labor will be within the limits of the local law.

## 5) Humane Treatment

There is to be no harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse of workers; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

## 6) Non-Discrimination

Suppliers should be committed to a workforce free of harassment and unlawful discrimination. Suppliers shall not engage in discrimination based on race, color, age, sex, gender, sexual orientation, ethnicity or national origin, disability, pregnancy, religion, or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. Workers shall be provided with reasonable accommodation for religious practices. In addition, workers or potential workers should not be subjected to medical tests or physical exams that could be used in a discriminatory way.

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### 7) Freedom of Association

In conformance with local law, Suppliers shall respect the right of all workers to freedom of association and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.

## B. HEALTH and SAFETY

Suppliers recognize that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production, and worker retention and morale. Suppliers also recognize that ongoing worker input and education is essential to identifying and solving health and safety issues in the workplace.

Suppliers using the Company properties or facilities shall comply with the Company's applicable policies and requirements, including any safety protocols.

### 1) Occupational Safety

Worker potential for exposure to safety hazards (e.g., chemical, electrical and other energy sources, fire, vehicles, and fall hazards) are to be identified and assessed, and controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout), 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 and educational materials about risks to them associated with these hazards. Reasonable steps must also be taken to remove pregnant women/nursing mothers from working condition with high hazards, remove or reduce any workplace health and safety risks to pregnant women and nursing mothers including those associated with their work assignments, as well as include reasonable accommodations for nursing mothers.

### 2) Emergency Preparedness

Potential 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 and drills, appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment and property.

### 3) Occupational Injury and Illness

Procedures and systems are to be in place to prevent, manage, track, and report occupational injury and illness including provisions to: encourage worker reporting; classify and record occupational injury and illness cases; provide necessary medical treatment; investigate cases and implement corrective actions to eliminate their causes; and facilitate return of workers to work.

### 4) Industrial Hygiene

Worker exposure to chemical, biological, and physical agents is to be identified, evaluated, and controlled according to the hierarchy of controls. Potential hazards are to be eliminated or controlled through proper design,

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engineering, and administrative controls. When hazards cannot be adequately controlled by such means, workers are to be provided with and use appropriate, well-maintained, personal protective equipment. Protective programs shall include educational materials about the risks associated with these hazards.

**5) Physically Demanding Work**

Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks is to be identified, evaluated, and controlled.

**6) Machine Safeguarding**

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

**7) Sanitation, Food, and Housing**

Workers are to be provided with ready access to clean toilet facilities, potable water, and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by Suppliers or their labor agents are to be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting, heat and ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

**8) Health and Safety Communication**

Suppliers shall provide workers with appropriate workplace health and safety information and training in the language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers. Training is provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise safety concerns.

**C. ENVIRONMENTAL**

Suppliers recognize that environmental responsibility is integral to producing world class products. In manufacturing operations, adverse effects on the community, environment, and natural resources are to be minimized while safeguarding the health and safety of the public.

**1) Environmental Permits and Reporting**

All required environmental permits (e.g. discharge monitoring), approvals and registrations are to be obtained, maintained, and kept current, and their operational and reporting requirements are to be followed.

**2) Pollution Prevention and Resource Reduction**

Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance and facility processes; or by other means. The use of natural resources, including water, fossil fuels, minerals, and virgin forest products, is to be conserved reduced by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling, or other means.

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**3) Hazardous Substances**

Chemicals and other materials posing a hazard to humans or the environment are to be identified, labeled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal.

The Suppliers shall promptly provide accurate and complete Material Composition Declarations, Declarations of Non-Use of Hazardous Substances, and Warranty of Non-Inclusion of Restricted Hazardous Substances (all in form, substance, and detail satisfactory to the Company) of substances used by the Suppliers as may be requested by the Company from time to time.

**4) Solid Waste**

Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous).

**5) Air Emissions**

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals, and combustion by-products generated from operations are to be characterized, routinely monitored, controlled, and treated as required prior to discharge. Suppliers shall conduct routine monitoring of the performance of their air emission control systems.

**6) Materials Restrictions**

Suppliers are to adhere to all applicable laws, regulations, and customer requirements regarding prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

**7) Water Management**

Suppliers shall implement a water management program that documents, characterizes, and monitors water sources, use, and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater is to be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Suppliers shall conduct routine monitoring of the performance of their wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

**8) Energy Consumption and Greenhouse Gas Emissions**

Suppliers are to assess cost-effective options to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

**D. ETHICS**

To meet social responsibilities and to achieve success in the marketplace, Suppliers and their agents are to uphold the highest standards of ethics including:

**1) Business Integrity**

The highest standards of integrity are to be upheld in all business interactions. Suppliers shall have a zero tolerance policy to prohibit any and all forms of bribery, corruption, extortion, and embezzlement.

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#### 2) No Improper Advantage

Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given, or accepted. This prohibition covers promising, offering, authorizing, giving, or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

If Suppliers extend any business courtesies, including any gifts, entertainment, meals, travels, and other gratuities, to any Company employees, officers, or directors, Suppliers may do so infrequently and the courtesies shall be no more than moderate value and be reasonable and appropriate in the ordinary and proper course of business. Any business courtesies offered, extended, or exchanged shall not contravene the Company's Anti-Bribery and Anti-Corruption Policy and Conflict of Interest Policy.

#### 3) Disclosure of Information

All business dealings should be transparently performed and accurately reflected on the Suppliers' business books and records. Information regarding the Suppliers' labor, health and safety, environmental practices, business activities, structure, financial situation, and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

#### 4) Intellectual Property

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights, and customer and supplier information is to be safeguarded.

Suppliers shall protect the Company's intellectual property rights and maintain the confidentiality of the Company's trade secrets and proprietary or confidential information. Suppliers shall not use the Company's patented technology or reproduce copyrighted materials, including software and documentation, without the Company's prior written consent. Suppliers shall not reverse engineer, disassemble, or decompile any prototypes, hardware, software, or other tangible objects provided by the Company or otherwise embody the Company's confidential information.

#### 5) Fair Business, Advertising, and Competition

Standards of fair business, advertising, and competition are to be upheld.

Suppliers shall comply with all applicable antitrust, competition, and trade practice laws and not enter into agreements with competitors or otherwise unfairly influence the competition, including but not limited to price fixing or market segmentation.

#### 6) Protection of Identity and Non-Retaliation

Programs that ensure the confidentiality, anonymity, and protection of supplier and employee whistleblowers are to be maintained, unless prohibited by law. Suppliers should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

#### 7) Responsible Sourcing of Minerals

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Suppliers shall have a policy to reasonably assure that the tantalum, tin, tungsten, and gold in the products they manufacture does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country. Suppliers shall exercise due diligence in the sourcing and chain of custody of these minerals and make their due diligence measures available to customers upon request.

Suppliers shall only supply materials that use smelters or refiners on the conformant lists at: <http://www.responsiblemineralsinitiative.org/smelters-refiners-lists/> and promptly provide a fully and accurately completed conflict minerals reporting template (“**CMRT**”) at least annually and from time to time upon request by the Company. Suppliers shall use the latest version of CMRT, available at <http://www.responsiblemineralsinitiative.org/reporting-templates/cmrt>.

### 8) Privacy

Suppliers are to commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers, and employees. Suppliers are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

### 9) Conflicts of Interest

Suppliers shall avoid any conflicts of interest, including any appearance of conflicts of interest, in their interaction with the Company. Suppliers shall timely disclose any known family or other close personal relationships with any Company employees, officers, directors, or other third parties having business relationships or business dealings with the Company, or who have an influence over the Suppliers’ engagement with the Company. Suppliers shall not make offers of internships, employment, or investment opportunities to a spouse, children, or close family member of a Company employee, officer, or director unless approved in advance by the Company’s authorized representative. Suppliers shall comply with the Company’s Conflict of Interest Policy.

### 10) Publicity

The Company values its brand. Without the Company’s prior written consent, Suppliers shall not use the Company’s name, logo, brand, or trademark; a quote from a Company employee, officer, or director; or photos of the Company’s facilities in any type of publications, including websites, news releases, and social media. Suppliers shall not disparage or place the Company or its products in disrepute, and shall not engage in any activities that adversely affect the Company’s reputation or business interests or otherwise detract from the Company’s goodwill or the goodwill appurtenant to the Company’s brand or its products.

### 11) Protection of Confidential Information

Suppliers shall protect confidential information, including any personal data, sensitive information, or personally identifiable information, which Suppliers obtain or otherwise have access to in connection with or as a result of their business dealings with the Company. Suppliers shall comply with any and all applicable laws relating to privacy, data protection, and cybersecurity when collecting, processing, using, handling, or storing such information. Suppliers shall only use the Company’s confidential information for purposes authorized by the Company and prevent any unauthorized (including any inadvertent) disclosure of the Company’s confidential information. Suppliers shall comply with the Company’s security standards and procedures, including cybersecurity requirements and IT policies, and shall use at least the same degree of care to safeguard the Company’s confidential information that they use to protect their own confidential and proprietary information of a

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similar nature, and in any event not less than a reasonable degree of care under the circumstances. Upon request by the Company, Suppliers shall promptly enter into non-disclosure agreements or confidentiality agreements with the Company to safeguard the Company's confidential information.

12) Exports, Imports, and Trade Control

Suppliers shall comply with applicable export, import, trade control, and customs laws and regulations, including but not limited to trade sanctions, embargoes, and other government orders and policies designed to control the transmission, transfer, or transportation of goods, information, and technology, and restrict transactions with specific entities, persons, or countries (sometimes referred to as denied, debarred, and/or restricted parties). Suppliers shall also incorporate international supply chain security (SCS) measures into their business processes as described by internationally recognized standards such as Customs-Trade Partnership Against Terrorism (C-TPAT) and Authorized Economic Operator (AEO).

**E. MANAGEMENT SYSTEMS**

Suppliers shall adopt or establish a management system whose scope is related to the content of this Code. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations, and customer requirements related to the Suppliers' operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement.

If the Company requests additional certifications, such as ISO certifications, the Suppliers will make good faith efforts to promptly obtain such certifications.

1) Company Commitment

A corporate social and environmental responsibility policy statement affirming the Supplier's commitment to compliance and continual improvement, endorsed by executive management and posted in the facility in the local language.

2) Management Accountability and Responsibility

The Supplier clearly identifies senior executive and company representative[s] responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management system on a regular basis.

3) Legal and Customer Requirements

A process to identify, monitor, and understand applicable laws, regulations, and customer requirements, including the requirements of this Code.

4) Risk Assessment and Risk Management

A process to identify the legal compliance, environmental, health and safety, and labor practice and ethics risks associated with the Supplier's operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance

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5) Improvement Objectives

Written performance objectives, targets, and implementation plans to improve the Supplier's social and environmental performance, including a periodic assessment of the Supplier's performance in achieving those objectives.

6) Training

Programs for training managers and workers to implement the Supplier's policies, procedures, and improvement objectives and to meet applicable legal and regulatory requirements.

7) Communication

A process for communicating clear and accurate information about the Supplier's policies, practices, expectations, and performance to workers, suppliers, and customers.

8) Worker Feedback, Participation, and Grievances

Ongoing processes, including an effective grievance mechanism, to assess employees' understanding of and obtain feedback on, or violations against, practices and conditions covered by this Code and to foster continuous improvement.

9) Audits and Assessments

Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code, and customer contractual requirements related to social and environmental responsibility.

10) Corrective Action Process

A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

11) Documentation and Records

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to the Company's requirements along with appropriate confidentiality to protect privacy.

Suppliers shall create and maintain accurate records, and not alter or modify any record entry to conceal or misrepresent the underlying transactions or information. Suppliers shall not falsify or manipulate records, or misrepresent any information, conditions, or practices in the supply chain or in their business dealings with the Company.

Suppliers will cooperate with any information requests or audits the Company may initiate from time to time to confirm their compliance with this Code.

12) Supplier Responsibility

A process to communicate Code requirements to Suppliers and to monitor Suppliers' compliance to the Code.

