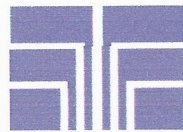


# TSPCI Business Ethics and Code of Conduct Policy



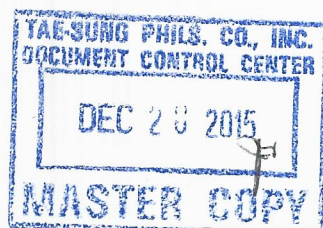
**TAE SUNG PHILS. CO., INC.**

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Document No. : TSPCSR-01



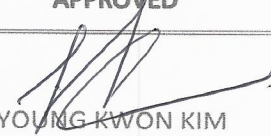
Revision Level : Revision A

This policy must be regularly communicated to all employees. Appropriate communications also should be made to others outside TSPCI who may transact business with other Organization. These policies may be supplemented from time to time by more specific guidelines.



**BUSINESS ETHICS & CODE OF  
CONDUCT POLICY**DOC NO.  
TSPCSR-01REVISION:  
ALEVEL:  
2PAGE:  
2 of 13**REVISION HISTORY**

Revision	Execution Date	Description of Change	Revision Page
Origination	December 18, 2013	Creation	N/A
A	December 28, 2015	- Modify policy and change Title name from Business Ethics to Business Ethics & code of Conduct Policy	All

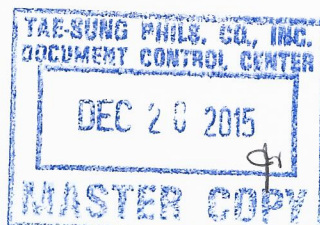
ORIGINATION	ORIGINATOR	CHECKED	APPROVED
GEN. ADMIN.DEPT.	 ELIZABETH ABASOLO	 YONG SICK SONG	 YOUNG KWON KIM


Distribution List:

CS 2.0, CS 3.0, CS 4.0, CS 5.0, CS 6.0, CS 7.0

DCC-F0001-E

Tae Sung Phils. Co., Inc



	<b>BUSINESS ETHICS &amp; CODE OF CONDUCT POLICY</b>	DOC NO. TSPCSR-01	REVISION A	LEVEL: 2	PAGE: 3 of 13
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### Objective :

The purpose of the is document is to outline the standards of TSPCI through the business ethics and code of conduct.

To ensure that working conditions in the company are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically.

To enable TSPCI to operate in compliance with the laws, rules and regulations .

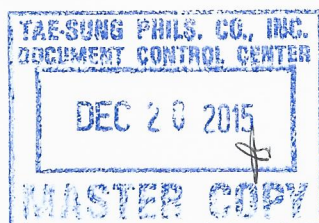
To enhance company's social and environmental responsibilities.

Require suppliers , third party and /or service providers to comply with the TSPCI Business Ethics Code of Conduct.


### Labor

#### Freely Chosen Employment

TSPCI does not use forced, bonded or indentured labor or involuntary prison labor. All work is voluntary and employees are free to leave following the prescribed notification day of the company which is at least 15-30 days. Likewise, the company shall provide a separation pay to all employees who resigned and who rendered not less than seven (7 ) years of continuous and uninterrupted service at one-half month pay per year of service. In all other cases , the provision of the labor code of payment of separation pay and retirement pay shall govern.





	<b>BUSINESS ETHICS &amp; CODE OF CONDUCT POLICY</b>	DOC NO. TSPCSR-01	REVISION A	LEVEL: 2	PAGE: 4 of 13
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### **Prohibition of Child Labor**

The provisions in Article 139, no child below fifteen (15) years of age shall be employed, except when he works, directly under the sole responsibility of his parents or guardian, and his employment does not in any way interfere with his schooling.

Any persons between fifteen (15) and eighteen (18) years of age may be employed for such number of hours and such periods of the day as determined by the Secretary of Labor and Employment in appropriate regulations.

The foregoing provisions shall not in no case allow the employment of below eighteen (18) years of in an undertaking which is hazardous or deleterious in nature as determined.

### **Working hours**

The normal work- week shall consist of six (6) days , from Monday to Saturday., and should not exceed 60 hours per week, except in emergency or unusual situations. Workers shall be allowed at least one day off every seven days.

### **Wages and Benefits**

The Company 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. Deduction from wages as disciplinary measure shall not be permitted . In addition , the company agrees to grant the following daily wage increase to all in reference to the collective bargaining agreement :

Year1: Eight pesos (P8.00) per day beginning 12 Feb. 2015.

Year2: Five pesos (P5.00) per day beginning 12 Feb. 2016 plus a performance based increase per day , as follows:



**BUSINESS ETHICS & CODE OF  
CONDUCT POLICY**DOC NO.  
TSPCSR-01REVISION  
ALEVEL:  
2PAGE:  
5 of 13**PERFORMANCE BASED INCREASE**


DAILY WAGE Rank and File Employees	MONTHLY WAGE Rank and File Employees
Php 5.00 – Top 10% of total Daily –Wage Rank and File employees ( Dailies).	Php 5.00 – Top 10% of total Monthly employees
Php 4.00 – Next 15% of Dailies	Php 4.00 – Next 15% of Monthlies
Php 3.00 – Median 50% of Dailies	Php 3.00 – Median 50% of Monthlies
Php 2.00 – Last 25% Dailies	Php 2.00 – Last 25% Monthlies

Year3: Five pesos (P5.00) per day beginning 12 Feb. 2017 plus a performance based increase per day , as follows:

**PERFORMANCE BASED INCREASE**

DAILY WAGE Rank and File Employees	MONTHLY WAGE Rank and File Employees
Php 5.00 – Top 10% of total Daily –Wage Rank and File employees ( Dailies).	Php 5.00 – Top 10% of total Monthly employees
Php 4.00 – Next 15% of Dailies	Php 4.00 – Next 15% of Monthlies
Php 3.00 – Median 50% of Dailies	Php 3.00 – Median 50% of Monthlies
Php 2.00 – Last 25% Dailies	Php 2.00 – Last 25% Monthlies



	<b>BUSINESS ETHICS &amp; CODE OF CONDUCT POLICY</b>	DOC NO. TSPCSR-01	REVISION A	LEVEL: 2	PAGE: 6 of 13
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### **Humane Treatment**

The company does not practice harsh and inhumane treatment, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of employees nor does it tolerate threat of any such treatment. Disciplinary policies and procedures in support of these requirements is defined communicated to workers through company rules and regulations.

### **Non-discrimination**


The company prohibits discrimination and harassment of any employee because of race, color, national, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring and employment practices such as promotions, rewards and trainings.

### **Freedom of Association**

The company respects the rights of employees to join or not join labor organization or seek representation in accordance with local laws. Workers and their representative 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>BUSINESS ETHICS &amp; CODE OF CONDUCT POLICY</b>	DOC NO. TSPCSR-01	REVISION A	LEVEL: 2	PAGE: 7 of 13
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## Health and Safety

### Occupational Safety

The company ensures control of workers who are exposed to potential safety hazards ( e.g. electrical and other energy sources , fire, vehicles and fall hazards ) through proper design , engineering and administrative controls, preventative maintenance and safe work procedures ( including lockout/tagout ) and safety trainings. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well maintained , personal protective equipment. Workers are also encourage to raise safety concerns and practice safety first .

### Emergency preparedness

The company identifies and assess potential emergency situations . Details on how to implement emergency plans and response procedure is described in Emergency Planning and Response procedure, EP 4-05.


### Occupational Injury and Illness

The company has established guidelines to prevent, manage, track and report occupational injuries and illnesses. Details is described in Accident/Incident Investigation and Reporting Guidelines, TSOP – 07.

### Industrial Hygiene

The company ensures control of workers who are exposed to chemical , biological and physical agents through proper design , engineering and administrative controls .Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well maintained , personal protective equipment.



	<b>BUSINESS ETHICS &amp; CODE OF CONDUCT POLICY</b>	DOC NO. TSPCSR-01	REVISION A	LEVEL: 2	PAGE: 8 of 13
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### **Physically Demanding Work**

The company ensures control of workers who are exposed to hazards of physically demanding tasks including manual material handling and heavy repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks thru posters and controls if applicable.

### **Machine Safeguarding**

The company ensures that machineries are evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

### **Sanitation, Food , and Housing**

The company ensures easy access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Staff house is provided for workers with appropriate emergency egress and shower for bathing.

### **Health and Safety Communication**

The company ensures to provide workers with appropriate workplace health and safety training through seminar and other health and safety related information are posted in the facility.







## BUSINESS ETHICS & CODE OF CONDUCT POLICY

DOC NO.

TSPCSR-01

REVISION

A

LEVEL:

2

PAGE:

9 of 13

### Environment

TSPCI recognizes its responsibility to protect the environment and committed to integrate sound environmental practices into all aspects of our business to ensure minimal adverse effects of the operation to the community, environment and natural resources, as well as ensure compliance to all legal requirements the organization subscribe.

TSPCI adopts the ISO14001: 2004 Environmental Management system standards duly certified by KMAR.

### Storm Water Management

TSPCI has installed rainwater downspout linked to storm drainage to prevent contamination of storm water run-off. Chemical storage has built in second containment to prevent discharge and spill to enter storm drain.

### Ethics


#### Business Integrity

TSPCI shall not authorize or condone any payment by employee that is in the nature of an undisclosed commission, kickback or bribe to a third party for obtaining, a contract, a competitive award or otherwise bestowing a special favor. Likewise, no payment shall be made to any sales agent, consultant or other independent third party with the intent or understanding that any part of such payment is to be used for any purpose or remitted to any other person or entity other than as described by the invoice or document supporting the payment. No deviation from this policy is authorized under any circumstance. All business dealings are transparent and accurately reflected on business books and records.

#### No improper advantage

TSPCI shall not commit bribery to a third party for obtaining, a contract, 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.



	<b>BUSINESS ETHICS &amp; CODE OF CONDUCT POLICY</b>	DOC NO. TSPCSR-01	REVISION A	LEVEL: 2	PAGE: 10 of 13
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### **Disclosure of Information**

Information on business activities regarding health and safety , environmental practices, 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.

### **Intellectual Property**

Intellectual rights are to be respected ; transfer of technology and knowhow is to be done in a manner that protects intellectual property rights. And customer information is to be protected .

### **Fair Business , Advertising and Competition**

TSPCI upholds fair advertising and competitive standards, abide by the anti-unfair competition behavior, including but not limited to monopoly, forced trading, illegal tying conditions of goods, false propaganda, dumping , defamation, collusion, infringement of trade secrets. Standards of fair business, advertising and competition are to be upheld. Appropriate means to safeguard customer information must be available.

### **Protection of Identity and Non-Retaliation**

TSPCI employees are free to communicate and raise their concerns through a suggestion box located in the entrance area and ensure its confidentiality and anonymity.


### **Responsible Sourcing of Minerals**

TSPCI supports responsible sourcing of minerals and ensure that tantalum, tin, tungsten, and gold in the products the TSPCI produce does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses

TSPCI exercises due diligence on the source and chain of custody of these minerals and make this information available to customers upon request.





	<b>BUSINESS ETHICS &amp; CODE OF CONDUCT POLICY</b>	DOC NO. TSPCSR-01	REVISION A	LEVEL: 2	PAGE: 11 of 13
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### **Privacy**

TSPCI employees are committed to protect reasonable privacy of personal information of everyone we do business with including suppliers, customers, consumers and employees, TSPCI commits to comply with privacy and information security laws and regulatory requirements when personal information is collected , stored , processed , transmitted and shared.

All new employees signed a contract stating non-disclosure of any confidential information administrative or technical know-how Any unauthorized disclosure , use or stealing of these confidential information is strictly prohibited.

### **Management**

#### **Company Commitment**

TSPCI management commits compliance to all applicable laws, regulations and customer requirements. TSPCI also ensures conformance with this code and does continual improvement activities to improve its operations and performance.

#### **Management Accountability and Responsibility**


TSPCI identifies company representative responsible for ensuring implementation , maintenance and regular review of the status of the management system.

### **Legal and Customer Requirements**

TSPC regularly identifies, monitors and understand applicable laws, regulations and customer requirements, including requirements of this code.





	<b>BUSINESS ETHICS &amp; CODE OF CONDUCT POLICY</b>	DOC NO. TSPCSR-01	REVISION A	LEVEL: 2	PAGE: 12 of 13
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### **Risk Assessment and Risk Management**

TSPCI identifies legal compliance , environmental , health and safety and labor practice and ethics risk associated with the operation. Determines relative significance for each risk and implements appropriate procedural and physical controls to control identified risks and unsure regulatory compliance.

### **Improvement Objectives**

TSPCI has written performance objectives, targets and implementation plans to improve the social and environmental performance including periodic assessment of performance in achieving objectives.

### **Training**

TSPCI provides trainings for managers and workers to implement policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements..

### **Communication**

Policies , practices , expectations and performance are communicated to employees, suppliers and customers through memo, bulletins, letters, emails and meeting as applicable.


### **Worker Feedback Participation**

Continuous improvement programs are being established to assess employees understanding of and obtain feedback on practices and conditions in the workplace.

### **Audits and Assessment**

Periodic audits and self evaluation is performed to ensure conformity to legal and regulatory requirements, the contents of the Code and customer contractual requirements related to social and environmental responsibility.



	<b>BUSINESS ETHICS &amp; CODE OF CONDUCT POLICY</b>	DOC NO. TSPCSR-01	REVISION A	LEVEL: 2	PAGE: 13 of 13
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### **Corrective Action Process**

There are processes for timely correction of deficiencies identified by internal and external assessment, inspections, investigation and reviews.

### **Documentation and Records**

System procedures and records are available, maintained and properly kept.

### **Supplier Responsibility**

TSPCI communicates and promotes its sustainability initiatives and/or programs to suppliers to ensure that TSCI's objectives are being met by them.

