



MONOLITHIC POWER SYSTEMS, INC. CODE OF SOCIAL RESPONSIBILITY

The Monolithic Power Systems, Inc. Code of Social Responsibility outlines standards to ensure safe working conditions, an environment of respect, fairness and dignity for all employees and environmentally responsible operations.

Our business must operate in full compliance with the law, rules and regulations of countries in which we do business. MPS goes beyond legal compliance, following internationally recognized standards which advocate social and environmental responsibility.

MPS is committed to soliciting regular feedback from employees, subcontractors and stakeholders as part of its' on-going social responsibility development.

MPS follows the EICC code of conduct with respect to the areas indicated below:

1. Management Commitment
2. Ethics
3. Human Rights
4. Labor
5. Health and Safety
6. Environment

MANAGEMENT PRINCIPLES

Monolithic Power Systems, Inc. believes in those principles established to ensure compliance with applicable laws and regulations wherever we do business worldwide. MPS believes in following this code and identification and mitigation of potential risks associated with these principles. Management is dedicated to promoting continuous improvement of its compliance efforts and social and environmental concerns as a good corporate citizen.

MPS has implemented training programs for all managers and employees regarding implementation of its policies, procedures and improvement goals. MPS will actively communicate its practices and expectations to its employees, suppliers, vendors, and customers.

MPS expects its employees, suppliers, and vendors to comply with these principles, as well as contractual requirements for social and environmental responsibility. MPS will conduct assessments, inspections, and investigations to identify deficiencies and implement appropriate corrective actions.

ETHICS

In accordance with the EICC code of Conduct, MPS is committed to the following ethical standards:

- a) **Business Integrity** – The highest standards of integrity apply to all our business interactions. Any form of extortion, embezzlement or corrupt actions by employees is strictly prohibited.
- b) **Improper Advantage** – Bribes or other means of obtaining undue advantage are unacceptable.
- c) **Disclosure of Information** – Strict confidentiality is to be observed regarding disclosure of corporate information according to existing regulations and agreements.
- d) **Intellectual Property** – MPS intellectual property rights, as well as those of its' customers and other third parties are to be managed such that these rights are not violated.



- e) **Fair business and competition** – MPS strongly supports laws, regulations and standards applicable to fair business, advertising and competition.
- f) **Protection of Identity** – MPS provides employees with the means to anonymously report incidents to ensure whistleblower protection.
- g) **Community Engagement** – MPS encourages its' employees to participate in social and economic development.
- h) **Insider dealing and Disclosure** – MPS is compliant with applicable laws and regulations related to insider information and requires that its' employees not make use of or disclose insider information.

HUMAN RIGHTS

MPS is committed to preserving and promoting the fundamental rights of others and respects all internationally recognized human rights, and in particular those set forth in the Universal Declaration of Human Rights. MPS expects that its suppliers, vendors, and other parties with whom it works abide by these principles.

MPS supports and protects equal enjoyment of human rights by all persons, including women and minority groups.

MPS respects and protects the right to water as a basic human right.

MPS does not tolerate slavery or human trafficking within its operations and its supply chain operations and requires major suppliers to agree to the policy against human trafficking and slavery.

LABOR

MPS is committed to upholding employee rights and treating all employees with dignity and respect. Employee rights are as listed below:

- a) **Freely Chosen Employment** – MPS does not use forced, bonded or indentured labor or involuntary prison labor and expects its suppliers to follow this policy. Work is voluntary and employees are free to leave with reasonable notice. Employees are not required to turn over any personal identification documents as a condition of employment.
- b) **Child Labor Avoidance** – MPS does not use child labor and expects its suppliers to follow this policy. The term “child” refers to any person employed under the age of 15 (or 14 according to country law), or under the age for completing compulsory education, or under the minimum age of employment in the country, whichever is greatest. MPS supports the use of legitimate apprenticeship programs in accordance with applicable laws and regulations. Workers under the age of 18 cannot perform hazardous work, and can be restricted from night work depending on educational needs.
- c) **Working Hours** – Work weeks cannot exceed maximum hours set by local law. Long work weeks can lead to reduced productivity, increased turnover and greater possibility of injury or illness.
- d) **Wages and benefits** – Compensation of employees is based on applicable wage laws including those covering minimum wage, overtime, and legally established benefits. As per local laws, employees are compensated for overtime at rates greater than regular hourly rates. Deductions from pay as a disciplinary measure are not allowed. Payment of wages must be timely via pay stub or similar documentation.



- e) **Humane treatment** – MPS does not tolerate inhumane treatment including, but not limited to, sexual harassment, sexual abuse, corporeal punishment, mental or physical duress or verbal abuse or threats.
- f) **Non-Discrimination** – MPS is committed to a workplace free of harassment and discrimination. MPS will not tolerate discrimination based on race, color, age, gender (including gender identity and gender expression), marital status, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union affiliation or any other practices prohibited by applicable laws in hiring and employment activities such as promotions, bonuses and access to training. Employees or applicants are not subject to any medical exams that could be used in a discriminating way.
- g) **Freedom of Association** – MPS respects the rights of workers to free association, joining or not joining labor unions, seeking representation or joining worker councils. Acknowledging that open communication and engagement between employees and management is the most effective means of resolving workplace issues, employees will be able to freely communicate with management regarding working conditions without fear of reprisal, intimidation or harassment.

HEALTH AND SAFETY

A healthy and safe environment is a strong contributor to employee morale, quality products and services and production consistency. Continuous education and employee input are vital to highlighting and eliminating health and safety issues in the workplace.

- a) **Occupational Safety** – Employee safety is controlled through proper training and administrative controls, preventive maintenance and safe work procedures. Where hazards cannot be fully controlled with the measures above, employees are provided with appropriate personal protective equipment and trained on its use.
- b) **Emergency Preparedness** – Potential emergency situations and events are identified and risk assessments conducted. Mitigation plans and response procedures are implemented including: emergency reporting, employee evacuation procedures, training and drills, fire detection and suppression equipment, adequate means to exit facilities and recovery plans.
- c) **Occupational Injury and Illness** – Procedures are in place to manage, track and report occupational injury and illness including provisions to encourage reporting, classification and tracking of injuries and illnesses, providing appropriate medical treatment, investigating incidents, implementing corrective action and helping employees return to work.
- d) **Industrial Hygiene** – Employee exposure to chemical, biological and physical agents is identified, evaluated and controlled. When hazards cannot be adequately controlled by engineering and administrative means, employees are provided with personal protective equipment.
- e) **Physically demanding work** – Employee exposure to physically demanding tasks, including manual material handling and heavy lifting, prolonged standing and highly repetitive tasks is identified, evaluated and controlled.
- f) **Machine Safeguarding** – Physical guards, interlocks and barriers are provided and properly maintained for machinery used by employees.
- g) **Canteen** – Employees are provided with clean toilet facilities, access to potable water and sanitary food preparation and storage facilities. Currently MPS does not require its employees make use of dormitories. If this requirement arises in future, MPS will provide clean, safe, adequately heated and ventilated facilities with proper emergency exits.



ENVIRONMENT

Environmental responsibility is an integral part of Monolithic Power Systems Code. MPS focuses on minimizing any potential impact to natural resources and protecting the environment and the surrounding areas by proactively reviewing any risks that might arise and taking immediate action. MPS continually monitors the material content of its products to ensure all applicable legal requirements are met.

- a) **Environmental Permits and Reporting** – MPS will obtain and maintain any approvals, licenses and registrations required by law
- b) **Pollution Prevention and Resource Reduction** – MPS will do all possible to manage resources to avoid waste and institute such recycling practices as are applicable to its business model.
- c) **Hazardous Substances** – As part of its' corporate citizenship, MPS ensures that any chemicals or other hazardous materials are safely handled, used or recycled. MPS clearly identifies the content of its products by homogeneous component and updates the information annually to ensure accuracy. MPS maintains and updates data on prohibition or restriction of specific substances as required by various oversight organizations.