



December 19, 2011

### **SpanSion Compliance with the *California Transparency in Supply Chains Act of 2010***

Beginning in 2012, many companies selling or manufacturing products in the state of California will be required to disclose information regarding their efforts to eradicate slavery and human trafficking from their direct supply chains.

SpanSion requires all suppliers to comply with its *Supplier Code of Conduct*. This document was adopted directly from the *Electronic Industries Code of Conduct*, which was developed by the Electronic Industry Citizenship Coalition. Specific standards addressing forced labor and human trafficking in SpanSion's *Supplier Code of Conduct* are:

#### 1) Freely Chosen Employment

Forced, bonded or indentured labor or involuntary prison labor shall not be used. All work will be voluntary, and workers shall be free to leave upon reasonable notice. Workers shall not be required to hand over government-issued identification, passports or work permits to the Participant or Labor Agent as a condition of employment.

#### 2) Child Labor Avoidance

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 14 where the law of the country permits), 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 apprenticeship programs, which comply with all laws and regulations, is supported. Workers under the age of 18 shall not perform work that is likely to jeopardize the health or safety of young workers.

SpanSion will introduce a self-assessment audit program in 2012 that will evaluate compliance of our Tier 1 suppliers with the *Supplier Code of Conduct*. The above standards will be included, along with an evaluation of whether such suppliers impose similar standards on their suppliers. This audit program is part of a larger assessment program that includes corporate social responsibility, business continuity, security logistics, and environmental resource conservation efforts. Suppliers that continue to fail to meet the SpanSion *Supplier Code of Conduct* requirements will be eliminated from its supply chain.

SpanSion believes that continued education of our employees is an important means to reinforce SpanSion's commitment to the highest ethical and compliance standards. This commitment was reinforced in 2011 through a corporate-wide training class specifically addressing SpanSion's Corporate Social Responsibility program. This mandatory course

emphasized responsibility in meeting Spansion's commitment to ethical behavior, both as individuals and as a corporation.

Spansion's *Code of Business Conduct* supports the company's commitment to high ethical standards and compliance with laws, regulations and internal policies, and applies to all employees, officers and directors of the company. The *Code of Business Conduct* requires each employee to act in a professional manner towards other employees, contractors, vendors and customers that will reflect positively on the company. It also states that one of the company's core values is respect for people: "We treat all people inside and outside the company with fairness and dignity. We conduct our business with a spirit of empathy, compassion, and cooperation." In this regard, unprofessional conduct, including without limitation the promotion of slavery or human trafficking, is considered unacceptable conduct that will subject an employee to corrective action, up to and including termination of employment.

Spansion Inc

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