



SemiConductor Devices

Ethical Code



Dear employees

I am proud to present to you the Ethical Code of **SCD**. The fair and ethical management of **SCD** is an issue of crucial importance that will contribute to the growth and success of **SCD**. In our work we influence and we are influenced by many interested parties each and every day.

While we engage in our work, we have to face different ethical decisions and issues that require our decision. While sometimes the right decision is clear and necessary, at other times it is necessary to exercise judgment, undergo training and receive guidance regarding the right course of action.

For that purpose, we prepared the document presented to you, that emphasizes the commitment of **SCD** to work in compliance with strict business standards, and that clarifies the expectations from employees and managers in the company. The Ethical Code is the ethical foundation document of **SCD**. This Ethical Code is intended to outline the guiding and basic principles that will govern our conduct and that will serve as a compass in our relationships with the different entities we work with.

The Ethical Code is the organizational common denominator that will assist us to continue and develop an ethical corporate culture, treat any person respectfully, make all efforts for the purpose of conducting with honesty, airness and responsibility towards the other and behave as model citizens.

SCD experiences at present enormous growth and expansion, that includes substantial technological development and integration of a new corporate culture. This process requires from us, employees and managers alike, to comply with professional standards of excellence, manage simultaneously a number of interconnected processes, engage in teamwork and provide mutual support. The Ethical Code is not just another collection of guidelines – it is a way of life. A personal example, a model of training and guidance that are the cornerstones in the integration of values and corporate culture that the Ethical Code outlines. Any action performed in compliance with the Ethical Code, in any capacity, will contribute to the creation of a resilient, stable and professional organization that can meet the challenges lying ahead, apply all values defined in the Ethical Code, and observe the law at any time – actions that are the key to the business success of **SCD**.

Each and every one of us should consider himself as an “ambassador” of **SCD** and act in accordance with the law and in conformity with the highest moral and ethical standards.

Sincerely and gratefully yours,

Dan Slasky
CEO, SCD



TURN ME
REPLAY

Introduction

- This Ethical Code does not replace the rules, laws and professional guidelines that apply to **SCD** and its employees and managers and the rules laid down in the Ethical Code shall be without prejudice to the provisions of any law, the instructions given by the management and the **SCD** guidelines.

- Observance of these instructions and rules is an integral part of the Ethical Code.

- The work in **SCD** is based on a set of values that defines and governs the responsibility of all **SCD** employees.

This Ethical Code applies and refers to the employees and managers of **SCD** as one.

- The management of **SCD** expects from itself and from its entire employees to show a high level of moral conduct and create a work environment that will live up to this expectation.

- In addition to the rules and the guidelines laid down in the **SCD** procedures and

in the different directives, **SCD** has an Ethical Code that includes rules and instructions that refer,

inter alia, to the business conduct policy of **SCD**. The main principles of this policy are the following:

- **Strict observance and performance of all laws and regulations in the country and in any place where SCD operates.**

- **Observance of the essential interests of SCD while avoiding completely any conflict of interests of any kind.**

- **Observance of the ethical rules and adherence to honesty, fairness, transparency and integrity in all spheres of activity SCD engages in.**

- **Supply of products while adhering to a quality level, safety standards and environmental protection principles and while maintaining firm but fair competition that is in conformity with the customary rules of competition in the markets where SCD operates.**

- **Conducting in a manner that is in conformity with and that reflects the spirit of the Ethical Code and the business policy that SCD decided to adopt.**

- The purpose of the Ethical Code is to lay down principles of action stemming from these values, in a manner that will assist anyone working in **SCD** to examine different situations and make decisions, and that will be used as a tool of control that can be used for the purpose of judging the decisions and actions of the employee in light of the **SCD** values.

- The Ethical Code is intended to orient the different actions in areas and issues such as integrity, conflict of interests, receipt and provision of gifts and more, define the requirements and lay down the standards that will serve as basis for the evaluation and judgment of such conduct.

- **SCD** encourages its employees to report about any violation or concern about violation of integrity.

- The reciprocal relations of **SCD** with its subsidiaries are based on mutual cooperation, transparency and openness.

SCD acts for the purpose of applying the instructions and the essence of the Ethical Code also to subsidiaries,

suppliers and more. It is clarified that the violation of this Ethical Code, whether directly or indirectly, is strictly prohibited.

*** In this Ethical Code words which are in the masculine gender shall be deemed to include the feminine gender, and vice versa.**



From values to actions

This document presents the principles of an ethical conduct we are committed to. The Ethical Code is intended to serve as a compass that will guide us on how to act and handle moral challenges and dilemmas that we encounter. The Ethical Code will assist each and every one of us to translate our values into actions and decisions in our everyday lives.

Guiding principles

The Ethical Code is intended to reflect the values of **SCD** in its everyday conduct towards colleagues, the company and the customers. The employees of **SCD** are obligated to observe the values and the Ethical Code. The guiding principles of the work stem from this:

- **Conduct vis-à-vis the organization**
- **Conduct towards other persons, colleagues and managers**
- **Conduct with customers and suppliers**

The purpose is to provide to the **SCD** employees criteria for the purpose of evaluating situations that demand the application of the Ethical Code, define normative patterns of professional behavior whose implementation will also assist indirectly in establishing the appreciation and the trust between employees and their managers and among employees themselves. The Ethical Code is intended to assure that we all act according to the rules of conduct expected from us as employees of **SCD**. We aspire that this Ethical Code will have a practical value in our everyday work and each of the employees shall be obligated to act and observe strictly these principles.

We often come across complicated situations that a lay person will not necessarily understand that they involve an ethical problem or a conduct that is not in compliance with the **SCD** Ethical Code and values. Each of us is required to question himself and examine the case in question, exercise judgment and ask himself the following questions for the purpose of gaining a better understanding of the case:

- **The optics – what will others say about me?**
- **Will I feel comfortable and will I be able to talk freely to those around me about the things that happened?**
- **Is there any doubt that the action is proper and that the event does not cause any problems?**

In the event of doubt regarding the ethical nature of any action, you are required to contact the relevant professionals in the HR department or in the legal department.



The human capital

The success of the work of **SCD** depends on the human capital – its employees. We are committed to creating a work environment that strives for excellence and that promotes continuing professional growth.

The **SCD** employees are committed to acting out of a sense of professionalism and business and ethical dedication.

SCD believes, supports and encourages employment and personal diversity among its employees and in its different spheres of activity and will insist on treating with full equality all its employees and anyone it engages with, including in all aspects associated therewith, irrespective of differences based on religion, race, gender, age, ethnicity, sexual orientation or for any other reason.

SCD encourages its employees to be involved in all its spheres of activity, participate and contribute to the work in **SCD** and feel they belong and are part of the success and future of **SCD**.

Representing SCD respectfully

Understanding that our personal and professional behavior influences the entire reputation of SCD, we adhere to proper representation in any interface, including globally and online.

Encouraging growth

We in SCD consider our work as an economic and social growth engine that affects the military and defense market and the Israeli economy as a whole.

Responsiveness

We are committed to understanding the needs of our customers and make them our top priority. We undertake to handle efficiently, speedily and with transparency any issue during our regular work.



The values in SCD

Treating others respectfully

- **SCD** believes in team work while treating others respectfully and showing reliability, fairness and trust in other people, in **SCD** and in its interactions with its customers and the community. Employees and managers are obligated to treat their colleagues respectfully.
- An employee will not harm or attack another person, will not engage in verbal or physical abuse towards another person, will not insult, will not use offensive language towards another person, and will not cause another person to feel that he is in an intimidating, offensive, harassing or negative work environment.

Personal excellence and accountability

- **SCD** aspires to maintain to a perfect level of performance, persist in learning, adjust to a changing environment, engage in a dynamic work environment, develop and improve its work in all areas, cope with problems and solve problems in a constructive manner, show willingness to share knowledge and information, learn from its mistakes, investigate and learn lessons so as to avoid repeating mistakes that can be prevented, and all while pursuing an excellent standard of performance in all its spheres of work and activity, in an uncompromising professional manner.
- **SCD** acts for the purpose of performing its work while taking full personal responsibility, while seeing the bigger picture and cooperating with all entities inside and outside the organization.
- We act persistently for the purpose of meeting the schedule, on delivery time (OTD) while performing our work in an optimal and high-quality manner.

Customer orientation

We act every day to improve our relationships with our customers for the purpose of attaining their goals and increasing their value.

The **SCD** policy will be aimed at performing its obligations, listening and responding to the expectations of domestic and international customers. Therefore, we will act for the purpose of developing innovative and high-quality products, providing reliable and accessible information and providing excellent and high-quality service. Quality is an essential component in all operations of the company. Each and every one of us is responsible for the quality and reliability of our products. We believe that high quality is achieved by ongoing improvement.

SCD and its employees are the same

SCD and its employees will mutually value and respect each other and will act to maintain a workplace that is competitive, safe and provides a challenging work environment that contributes to the development of employees, their growth, and that will make employees satisfied and proud by the fact they are employees in **SCD**.

The managers in SCD

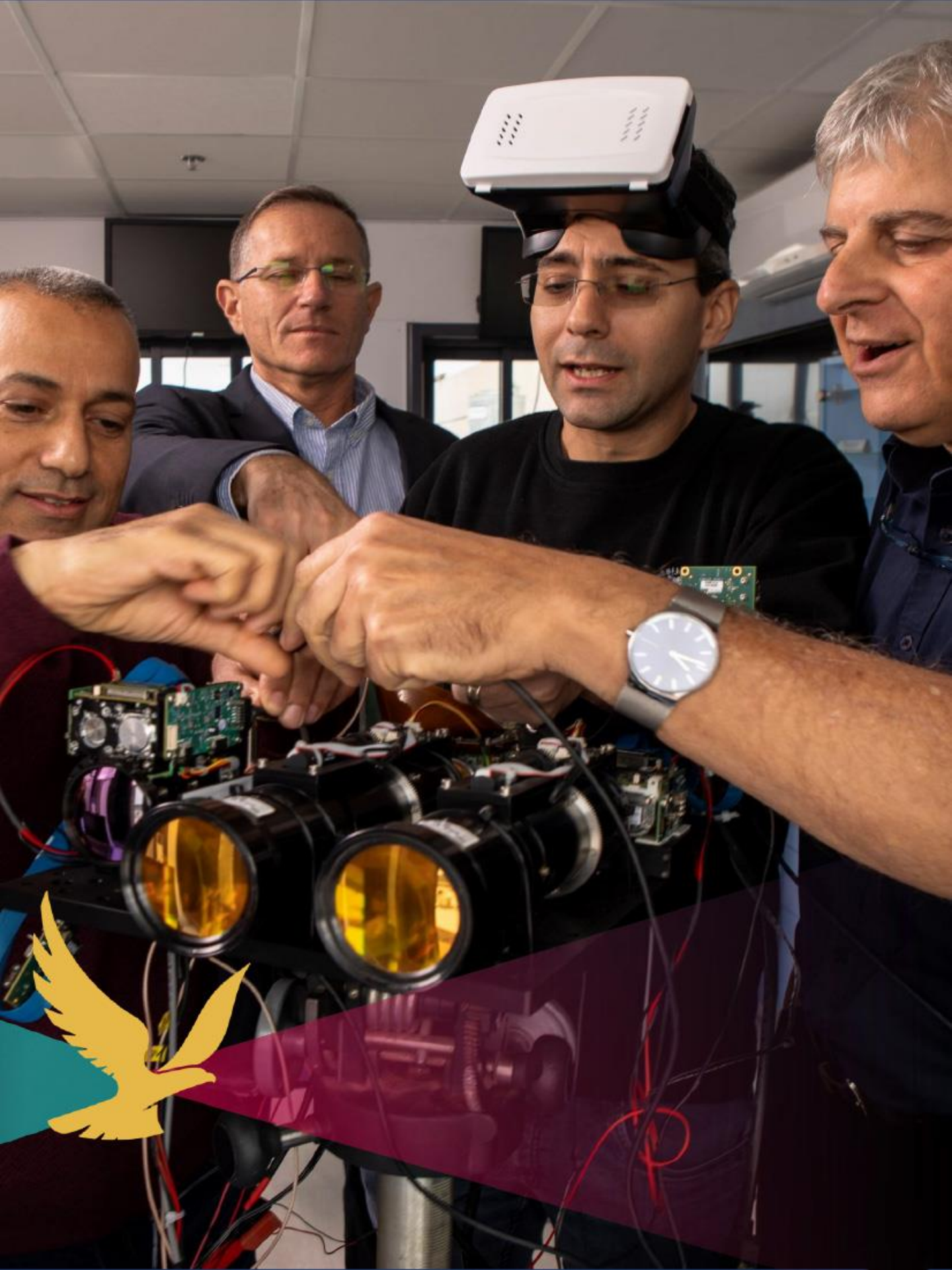
Each manager in **SCD** will act in a fair and honest manner towards its subordinates and will serve as a role model and as an example in all his work and actions.

The manager will not demand from his subordinates to perform for him personal services or actions that are not related to their work and that can be considered as abuse.

The manager will not request and will not agree to receive from his subordinates a loan, a grant, a gift or any other benefit whose colleagues might consider as based on his status and/or his position and/or his authorities and responsibilities.

The managers in **SCD** will act for the purpose of developing, empowering and promoting employees for objective and professional considerations only, without any discrimination or undue preference, while exercising judgment for the purpose of contributing to the success of **SCD** and assuring that **SCD** will attain its business goals.





General commitment

Loyalty, discipline and authorities at work

- The employee will perform the tasks assigned to him from time to time in accordance with the instructions of his superiors, in a loyal and dedicated manner and will invest all his energy for the purpose of this matter.

- The employee will protect the reputation of **SCD** and will represent the company at all times and in any place respectfully and while protecting the interests of the company.

- The employee will not overstep the authorities conferred on him by **SCD** and his superiors and will act in full compliance with the signatory rights procedure and the relevant procedures in **SCD**.

Attendance at work and reliable reporting

- The employee will perform his work during the hours of work assigned for his work and according to the tasks and the work requirements defined for the employee.

- The employee will observe strictly and regularly the instructions of **SCD** regarding registration of his attendance in the beginning and at the end of a workday. For the avoidance of doubt, the employee is prohibited from registering attendance for another employee.

- The employee will coordinate with his superior any scheduled absence from work, a reasonable time in advance, to the extent possible, and will notify his superior immediately in the event of an unscheduled absence.



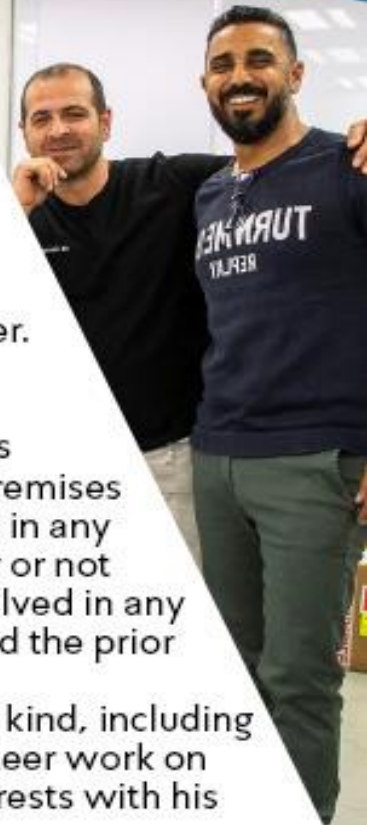


General commitment

- The employee will not stop his work and will not leave the workplace without obtaining the approval of his superior.
- The employee will submit each report in full transparency and in an accurate, comprehensive, valid and reliable manner.

Private work

- The employees of **SCD** represent **SCD** and are considered as its employees even after the hours of work or outside the premises of **SCD**. Therefore, employees are prohibited from engaging in any occupation, business, work or in any other manner, whether or not in return for consideration, outside **SCD** and will not be involved in any other business or occupation of any kind, unless they received the prior and written approval of **SCD** for the purpose of this matter. This prohibition also applies to an employee on leave of any kind, including unpaid leave. An employee may engage in social and volunteer work on the condition that this does not give rise to a conflict of interests with his work in **SCD**.
- Permission for private work, if granted, will be granted for a limited period and under conditions that will be set out in such permission.
- For the avoidance of doubt, any indirect connection to any business or occupation of an employee as a result of the work of his family members shall not be deemed as a prohibition and will not require prior approval of **SCD**, however in any event in which a conflict of interests of any kind might arise as a result of this connection and the work of the employee in **SCD**, the employee shall be obligated to report about it.



General commitment

Prohibition on benefits and anti-corruption

- **SCD** and its employees shall strictly and fully comply at all times with the anti-corruption laws and regulations in Israel and in any place in which SCD operates in addition to the **SCD** procedures for the purpose of this matter.
- **SCD** will observe strictly the integrity, ethical conduct and fairness in conducting all its business operations. Any payments of bribery in all its forms are prohibited and will be subject to punishment to the fullest extent permitted by law and the **SCD** rules.
- An employee will not request and will not receive, will not offer and will not give to himself and to anyone acting on his behalf and to any entity in Israel or abroad, whether directly or indirectly, any payment or benefit, whether directly or indirectly, or any promise of a benefit from any person, corporation or institution that maintain direct or indirect work relations with **SCD**.

Prohibition on a conflict of interests

- The employee will avoid at all times any action, whether personal or professional, as part of his employment in **SCD** or outside **SCD**, that may give rise to any conflict of interests with his work in **SCD** and/or with the activities of **SCD** or that might give rise to a concern about a conflict of interests.
- A conflict of interests might arise when a personal interest of the employee might interfere or conflict with the interests of **SCD**.
A conflict of interests might arise also indirectly if a relative or an associate of the employee receives an improper benefit as a result of the employee's work in **SCD**.
- The employee will exercise judgment in any event in which there is a conflict of interests and report to the HR department and to the **SCD** legal counsel about such circumstances as said for the purpose of inquiring and responding to such circumstances. "Whenever there is doubt – there is no doubt." Not any circumstances or concern will be necessarily defined as a conflict of interests and, in any event, performing the right actions and applying the proper means will prevent a conflict of interests and will enable the employee to pursue the best interest for himself and for **SCD**.

General commitment

- An employee or an associate of an employee who has interest or a benefit in any outside business or organization that maintains business connections with **SCD**, including in tenders, contracts, the provision of manufacturing or development services or any other service of any kind will inform immediately his superior (in VP level) about such circumstances.
- Employees are required to avoid associating with external entities that maintain work connections with **SCD** in matters related to **SCD** and purchase from them products/services for private uses unless the employee's superior (in VP level) granted his written approval for the purpose of this matter. The contract will be performed for the price of the product/service according to the seller's price list or based on a price that was set by **SCD** in another document to the public.
- Possible examples of a conflict of interests:
 - Personal gifts and benefits – giving or receiving gifts, hospitality and personal benefits are possible when they are performed in a reasonable manner and scope and within the framework of the business activities of **SCD**. The frequency and the value of the said gifts and benefits shall be reasonable and suited to the nature of the activity that is performed so that it will not affect, or that will not be perceived as having any effect, on the business judgment of any of the parties.
- Additional examples of a conflict of interests (Cont.):
 - Employment – employment in **SCD** will be based on professional considerations only. It is necessary to avoid the employment of first-degree and second-degree family members of the **SCD** employees in any position related to **SCD** and each instance of employment as said should be considered in advance by the HR department and the legal department before its completion.

General commitment

• Provision of information

- The employee will provide accurate information with respect to the matters the employee was required to provide information at the time the employee was hired for work.
- The employee will notify **SCD** regarding any change, update or addition that occurred in the information the employee provided at any time, including a change of name, change of address, change of family status, change of health condition etc.

Protection of confidentiality and patent registration

- The employee undertakes to keep in strict confidence any information that will reach his possession in the course of or in consequence of his employment in **SCD** including in anything related to the following: commercial information, information related to the customers, suppliers and service providers of **SCD**, financial information, information regarding prices, costing, market research, technical information of any kind, production processes, different R&D processes, security information or information whose disclosure is prohibited for security reasons, personally identifiable information that is related to any of the employees or visitors in **SCD**, legal information of any kind or information that was defined as classified or sensitive in accordance with the **SCD** procedures.

This undertaking shall be in effect for the entire period the employee is employed in **SCD** and thereafter, indefinitely and unconditionally, as long as the information did not become part of the public domain.

- Inventions, know-how and registered and unregistered patents that were created or invented by the employee during or in the course of his employment in **SCD** or in which the employee participated or knew of in consequence of his employment in **SCD** and that are related to the sphere of activity of **SCD** shall be the exclusive property of **SCD** in accordance with the law and the **SCD** procedures, and the employee shall not be entitled to use them in any manner or form, however only after obtaining the prior, written and express approval of **SCD** during the term of the employment and after termination of employer-employee relationship between the employee and **SCD**. Any conduct in anything related to intellectual property rights of the employee or **SCD** shall be governed by the **SCD** procedures for the purpose of this matter.

General commitment

Protecting the SCD assets

- In light of its unique line of work, **SCD** possesses and is the owner of many valuable assets, tangible and intellectual property assets that were developed and accomplished by its employees over the years.
- These assets include, among other things, equipment, materials, tools, know-how, inventions, processes, different items, databases and more.
- Any use of the **SCD** assets in contravention of the purposes and the manners defined by **SCD** might result in damage to the said assets and to **SCD** and therefore **SCD** invests considerable effort and protects carefully its assets against misuse and unnecessary exposure to unauthorized entities.
- The **SCD** assets are intended for the use of the **SCD** employees for the purpose of promoting the activities and the targets of **SCD** only and may not be used in any manner for the personal benefit or for the purpose of performing any activities that are not related to **SCD** or that were not approved by the management of the Company, during or after the hours of work
- Any materials, equipment, work instruments, items, document or copies of documents, messages, software, components, discs or any other property of **SCD** or of others held by **SCD** may not be taken from its possession without obtaining prior approval.
- Each employee shall be obligated to maintain at all times the working order, integrity and operability of the **SCD** assets and the entire equipment, work instruments, materials and property he possesses or that are accessible to him within the framework of or for the purpose of performing his work in **SCD**.
- The use of the equipment, work instruments, including machinery and devices and the entire **SCD** assets will be permitted solely in accordance with the rules and instructions set forth by the officers in charge and the management. The employee is obligated to exercise judgment and make efficient and economic use of the property, raw materials, equipment and facilities that were delivered to his possession or use.

General commitment

- An employee who detected damage or breakdown in an asset or equipment owned by SCD or a concern about the creation of such damage or breakdown as said will perform everything required from him as part of his position, and in this regard will contact his superiors at the earliest opportunity for the purpose of continuing the repair of the damage or taking steps for the purpose of preventing the damage.
- The **SCD** employee will perform anything that is required and possible as reasonably required for the purpose of preventing at any time any damage caused to **SCD**, its assets or anyone staying in its premises.
- An employee will not cancel, change, remove or destroy any document, copy of a document, physical or digital, a database, data storage medium, software, file or any message of any kind, unless this was done as part of his position and within the framework of his authority or after obtaining the approval of the authorized manager.

Security and safety at work

- The employee will observe at all times the entire security and safety instructions laid down by **SCD** or the security or safety officers from time to time.
- Given the spheres of activity **SCD** engages in, **SCD** and the security department shall be entitled to conduct from time to time security checks of employees in any manner they see fit and in accordance with the relevant procedures.
- **SCD** is obligated to provide to its employees and anyone staying in its premises a safe and proper work environment that will protect them from risks to the body or property. **SCD** regards the protection of the safety of its employees as a fundamental value and the entire **SCD** employees are jointly responsible for protecting their safety.
- The safety instructions and procedures and all guidelines relating to the protection of the health of employees, tidiness, cleanliness and fire safety laid down by **SCD** from time to time will be observed unconditionally by all employees without exception.

General commitment

- The employee shall be obligated to keep his work area clean and tidy and at the end of each work day will leave his work area and the entire equipment in his work area when it is tidy, clean and usable by the employees coming in his place.
- Smoking in the **SCD** premises is prohibited, except for areas designated for the purpose of this matter in accordance with the instructions.
- An employee who was injured during his work in **SCD** shall be obligated to notify the HR department and safety officers in **SCD** at the earliest opportunity and provide the entire information that is necessary for the continued handling of his case, in the company, outside the company and with the relevant authorities.

Prevention of sexual harassment

- **SCD** takes pride in the safe and proper work environment that it provides to its employees and considers a work environment in which employees feel safe and free from threats and harassment as a fundamental value.
- **SCD** will not accept and will not tolerate any incidents of sexual harassment and each event as said will be treated harshly and with the measures that **SCD** may apply in accordance with the law.
- The Prevention of Sexual Harassment Law, 5758-1998 and the regulations enacted thereunder, imposing different obligations both on the employee and the employer, apply in Israel for the purpose of this matter. **SCD** also prepared a procedure and a code of conduct on sexual harassment in the workplace for the purpose of this matter.
- A copy of the code of conduct is published in the billboards in the premises of the company and in the intranet website of **SCD**, and all **SCD** employees are required to read the code and observe its instructions.

General commitment

Using IT systems and posting information in social media

- **SCD** has and operates advanced computer and IT systems that are sophisticated and of high value for the company and that are used by the company for its business operations. Any harm or misuse of these systems might result in damage to **SCD**, in the creation of exposure and extensive commercial, safety, security and legal risks to **SCD** or violation of individual rights or third-party rights.
- The **SCD** IT systems will be used at all times in accordance with the instructions set forth by **SCD** for the purpose of performing the activities of **SCD** and in accordance with the relevant procedures.
- You are required to use properly and prudently the internet solely for the purposes of **SCD** and in a manner that will not cause damage to the systems, customers, suppliers and to any person or entity related to **SCD**.
- **SCD** places special emphasis on its image and reputation and is required to examine carefully and in advance, to the extent that this is possible, any reference to it in social media or in the public domain. Therefore, the **SCD** employees are required to conduct in an informed, strict and proper manner when using the internet and in any other public forum.
- **SCD** employees who use social media should use social media in a manner that respects and protects the values and reputation of **SCD** even when dealing with an activity that seems to be completely private. Employees are required to take into consideration that posts in social media are not easily deleted and that it is easy at present to link between an employee and his workplace as being responsible jointly for public expressions and conduct that are inappropriate.

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General commitment

- Employees should use social media in accordance with the following rules, among others:
- Registration to the social network and any other relevant communication should be performed with the personal email account of the employee and not the email account assigned to the employee by **SCD**.
- Employees are required to keep in confidence and not disclose, chat or respond in social media in any manner to the activities of **SCD**, even if the information is not sensitive information.
- It is necessary to take into consideration that any comment or response, even if it refers to the personal and private opinions of the employee, might be linked also to **SCD** and harm it, and, in any event, employees may not respond or post any content related to **SCD** in any manner.
- Employees should be aware that the publication of any information, including photos, information about products, projects or activities that are related to **SCD** might create exposure and risk to the employee, to other employees and to **SCD**, including, but not limited to, infringement of privacy of other persons.
- The employee shall be solely responsible for the information contained in the posts the employee publishes in social media and in general. Nevertheless, **SCD** reserves the right, without prejudice to the responsibility of the employee to intervene and demand the removal of the employee's posts and the publication of a proper response if the employee's post caused any damage to **SCD** or anyone acting on its behalf.
- An employee who read any offensive publication about **SCD** or related to **SCD** is required to report about this information immediately to the HR Department and to the legal counsel of **SCD**. Employees are required to avoid from publishing any reply or response related to **SCD** also if the employees intend to protect the name of **SCD** or wish to highlight positive aspects in **SCD**.

General commitment

Company car

- **SCD** employees who are entitled to receive a car by virtue of their position, will use the said car at all times carefully and responsibly, and in accordance with the procedures and values of **SCD** and the applicable laws, knowing that they represent **SCD** also on the road in connection to any damage that might be used as a result of this use of the car.
- The employee will use the car mainly for work purposes and for the employee's commute.
- The employee shall be solely responsible for any damage, expense or liability in respect of the use of this car. Commitment to suppliers and business partners
- **SCD** considers its suppliers, consultants and external contractors providing it services as essential partners in the success of **SCD** and consequently regards the connection and cooperation with these entities as a crucial element in its success.
- **SCD** prefers working with suppliers who observe the strict ethical values and principles same as **SCD** and who will adhere to fair and proper conduct towards its employees, and who provide to **SCD** high-quality and reliable products and services.
- Work with suppliers will be performed regularly in accordance with the procedures of **SCD** and the relevant requirements laid down in the law, and all suppliers working with **SCD** are required to strictly maintain at all times the quality, schedules and commercial fairness in the highest personal and professional standards.
- **SCD** will avoid any conflict of interests and will respond to such issues as said, whenever they arise, in an objective, proper and efficient manner.
- **SCD** will act without any bias and in a direct, proper and transparent manner in the selection of the suppliers and contractors with which it will work.
- The engagement with any supplier who provides services to **SCD** will be performed in an organized procedure without any discrimination and after obtaining all approvals required for the purpose of this matter in accordance with the **SCD** procedures.

General commitment

- The **SCD** employees will conduct in a proper and fair manner during the stage of negotiations with the supplier and afterwards.

Rights of contractors' workers

- **SCD** acknowledges its responsibility towards workers in its premises even if the said workers are not **SCD** workers and **SCD** is not their direct employer. Therefore, **SCD** shall endeavor to the best of its ability for the purpose of protecting the legal rights of workers who are employed by subcontractors in its premises for **SCD**.
- **SCD** expects from its subcontractors and suppliers to act in compliance with the ethical standards of **SCD** and shall be obligated to assure that their work conditions are proper and that their legal rights are observed.

Environmental protection

- **SCD** regards environmental protection issues as major and important issues and takes strict measures for the purpose of observing the required laws, regulations and standards for the purpose of protecting and even contributing to the environment.
- For the purpose of accomplishing this goal, and beyond its strict observance of all relevant requirements laid down in the law and the relevant procedures, **SCD** expects from its employees to be aware of environmental protection issues, endeavor to the best of their ability to protect the environment, prevent nuisances, warn about potential damage to the environment and contribute to the environment.

SCD and the community

- Being a leading and successful organization in Israel, **SCD** endeavors, to the best of its ability to connect and to contribute to the community from different aspects and in different channels, especially for disadvantaged populations.
- **SCD** encourages collaboration with academic institutions, acts in different academic institutions around the country and engages in activities that advance technological education.
- **SCD** encourages donations and welfare activities with associations and with disadvantaged populations, fosters many social and community collaborations and invites some of its employees to the various volunteer activities that **SCD** participates in.

General commitment

Promoting accessibility and sustainability

- **SCD** regards the integration of disabled persons and the accessibility in its premises of facilities to disabled persons as highly important and as reflecting its deep commitment to the society and the community while striving to create a positive influence on its surroundings.



Observance and integration of the Ethical Code

We regard the integration of the Ethical Code and making the Ethical Code part of our organizational work routine and culture as highly important.

- SCD observes strictly and regularly all relevant laws and regulations.
- All SCD employees will be responsible for observing and enforcing the Ethical Code as part of their responsibilities and will serve as a role model in their conduct.
- Each employee will be responsible in person to inform about any violation or suspected violation of the Ethical Code to his direct managers, the HR department and the legal counsel of SCD, or anonymously to the CEO of the Company.
- The provision of full, detailed and real time information regarding any event of violation or suspected violation of the Ethical Code is highly important since quick and efficient response will allow SCD to prevent harm to its activities and handle better the damages caused and diminish their scope, and comply with the requirements, values and high standards that SCD set for itself within the framework of its activity.
- Any questions that will arise in connection with the interpretation and the enforcement of the Ethical Code shall be referred to the VP of HR and the legal counsel of SCD, and employees are required to consult with these officers in the event of a doubt.
- Violation of the principles laid down in the Ethical Code might result in serious disciplinary action including dismissal, and commencement of civil or criminal action. SCD encourages its employees to report about any possible violation of the Ethical Code, and practices a policy of anonymous complaints that enables employees to complain even without exposing their identity and without concerns, in the anonymous email in the intranet site of SCD to which only the CEO has access. In any event, SCD will act for the purpose of protecting and preventing any allegations or harassment of an employee who reported about the violation of the Ethical Code.

Observance and integration of the Ethical Code

- The VP of HR and the legal counsel of **SCD** shall be responsible for inquiring the events of violation of the Ethical Code by the employees of the Company and will protect the anonymity of these employees.
- The Ethical Code will be available regularly in the intranet website of **SCD** and employees will be referred to read its updated versions from time to time.
- Each new employee in **SCD** will receive a copy of the Ethical Code and will sign a document confirming that he read and understood the Ethical Code upon commencement of his employment in **SCD**.





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SemiConductor Devices