

California Transparency in Supply Chains Act of 2010

On January 1, 2012, the [California Transparency in Supply Chains Act of 2010 \(SB657\)](#) went into effect. This California state law requires companies to disclose efforts undertaken to eradicate slavery and human trafficking in the supply chain.

Maxim Integrated Products, Inc. designs, develops, manufactures and markets a broad range of linear and mixed-signal integrated circuits, commonly referred to as analog circuits, for a large number of customers in diverse geographical locations. Our products are marketed worldwide through a direct-sales and applications organization as well distributors. We primarily manufacture our own wafers and, to a lesser extent, utilize third party foundries to produce wafers. We rely on our fabrication facilities to implement manufacturing requirements and also utilize unaffiliated manufacturing and assembly subcontractors, located in the Philippines, Malaysia, Thailand, China, Taiwan, Singapore, South Korea and Japan. Maxim expects its suppliers to operate in compliance with the laws, rules and regulations in the countries in which they operate and to implement the principles of Maxim's Code of Business Conduct and Ethics and Code of Corporate Social Responsibility. The following represents Maxim's efforts in this area:

Internal Accountability and Training

[Maxim's Code of Business Conduct and Ethics](#) and [Code of Corporate and Social Responsibility](#) express Maxim's commitment to promote honest, ethical and lawful conduct in the workplace as well as social and environmental responsibility. Maxim is committed to provide a safe and healthy workplace where employees are treated with respect and dignity and to have environmentally responsible manufacturing operations. All employees are required to adhere to our Code of Business Conduct and Ethics, and violations may subject employees to disciplinary actions, including termination of employment. Maxim expects its independent contractors, consultants, agents, vendors and sales representatives to apply the same standards of ethical business practices as required of Maxim employees. Maxim is dedicated to continuous improvement and may implement measures in the future to mitigate the risk of slavery and human trafficking throughout its supply chain, including, without limitation, training Maxim personnel with direct responsibility for supply chain management.

Risk Assessment and Audits

Maxim communicates its supplier standards and requirements, including, without limitation, the prohibition on child labor and involuntary labor, whether forced, bonded, indentured labor, on its website and in written agreements with its suppliers. Maxim performs risk assessments of its key suppliers via self-assessment questionnaires to determine compliance with Maxim's standards and requirements, including quality and safety. Key suppliers identified as high-risk may be subject to on-site audits conducted by Maxim, including, without limitation, inspection of the supplier's facilities, quality control procedures and environmental management systems. Maxim is expanding its current Supplier Self-Audit Program to implement a new supplier self-certification program in 2012 that will include inquiries into their efforts to eliminate slavery and human trafficking in the supply chain.

Supply Chain Verification and Certification

Maxim believes that workers at its supplier's facilities should be treated with respect and dignity with the right to freely choose employment. Involuntary labor, whether it is forced, bonded, or indentured labor, should be eliminated from the workplace. To this end, Maxim expects its direct suppliers to comply with Maxim's Code of Business Conduct and Ethics and Code of Corporate Social Responsibility. This requirement is included in contractual agreements and published on Maxim's website. Ensuring compliance with Maxim's standard and requirements is an evolving process. Maxim's proposed new supplier self-certification program will assist Maxim in verifying direct key suppliers' compliance with local laws, including eradication of slavery and human trafficking for materials incorporated into Maxim products. While the focus is currently on key suppliers, Maxim is developing a process to expand its supplier certification program to include all other suppliers. Those suppliers determined by Maxim to be noncompliant will be identified and provided an opportunity to remedy such non-compliance. Failure to comply will be deemed a material breach of supplier's obligations to Maxim and may result in termination as a Maxim supplier.