

**Subject: Social and Environmental Requirements**

Preface  
IBM has established a Social & Environment Management System Program. One of the provisions of this program is that IBM’s suppliers (who have a contractual relation will IBM) confirm that the following 8 Social and Environmental Requirements are being complied with.  
To this end, Polywell Computers has chosen to comply with these requirements. One of these requirements below calls for IBM’s first tier suppliers to cascade these 8 requirements to their next tier suppliers who support IBM business. We present these requirements for your review and consideration for deployment. Thank you.

Dear Supplier

Polywell is cascading to you IBM's Social & Environmental Management System requirements as below:

1. Define, deploy, and sustain a corporate responsibility and environmental management system that identifies significant aspects of the supplier's intersections with these matters, including those articulated in the Electronic Industry Citizenship Coalition Code of Conduct (EICC) and/or IBM's Supplier Code of Conduct Principles. Supplier must be able to demonstrate that such a management system is in place and deployed at their sites where work for IBM is performed, such that should IBM choose to conduct a 3rd-party audit of a supplier's Supply Chain Social Responsibly (SCSR) program and/or environmental program, supplier will be able to demonstrate complete compliance to all elements of IBM's SCP and the EICC Code of Conduct.

2. Establish programs (within the management system) to control operations that intersect with these matters and confirm compliance with applicable law, regulation and any particular contractual requirements

3. Measure performance associated with supplier's significant environmental aspects where applicable and include at a minimum each of the following aspects common to virtually all businesses:

• energy conservation

• scope 1 and scope 2 greenhouse gas emissions

• waste management and recycling

4. Set voluntary environmental goals to achieve positive results associated with significant aspects where applicable and include at a minimum one in each of the three aspects cited in Supplier Requirement 3 above

5. Publicly disclose results associated with these voluntary environmental goals and other environmental aspects from the management system, including any regulatory fines or penalties that may have occurred

6. Train employees who are responsible for performing this work

7. Conduct self-assessments and audits as well as management reviews

8. Cascade this set of requirements to the supplier's suppliers who perform work that is material to the products, parts and/or services being supplied to IBM

Please cascade same set of requirements to your sub-suppliers who perform work that is material to the products, parts and/or services being supplied to IBM.

Sincerely,

Jenny Lin

Manager,   
Polywell Computers

**Instructions:**

Please print this out and send back a copy to Polywell with an acknowledgment.

I hereby understand and acknowledge the requirements as described herein and imposed on Polywell by IBM, and shall to the best of our abilities cooperate with Polywell in complying with said requirements.

Date:   
Name: Title:   
Company:  
Company address: