

California Transparency in Supply Chains Act of 2010

Beginning in 2012, many companies manufacturing or selling products in the state of California will be required to disclose their efforts to address the issue of slavery and human trafficking, per the California Transparency in Supply Chains Act of 2010 (SB 657). This law was designed to increase the amount of information made available by companies with regard to efforts to eradicate forced labor and human trafficking, thereby allowing consumers to make better, more informed choices regarding the products they buy and the companies they choose to support.

NETGEAR is committed to ensuring the highest standards of social responsibility wherever our products are made. NETGEAR has a zero tolerance for both forced labor and human trafficking.

NETGEAR is a member of the Electronic Industry Citizenship Coalition (EICC). NETGEAR fully supports the vision and goals of the EICC. We endorse the EICC Code of Conduct, and incorporate EICC standards into the NETGEAR Supplier Code of Conduct. Our corporate social responsibility program includes various initiatives and monitoring activities which reinforce our commitment as a responsible global citizen.

NETGEAR is committed to respecting the labor and human rights of our suppliers while continuously improving their working conditions through the following set of principles:

- Freely chosen employment
- No child labor
- Fair compensation, wages, and benefits
- Respect for working hours and rest days
- Equal opportunity and no discrimination
- No harassment and abuse
- Health and safety standards

NETGEAR's program is based on our Supplier Code of Conduct, which outlines our expectations for our partners. We evaluate compliance through an auditing program and work proactively with our suppliers to drive change, as necessary.

In an effort to confront slavery and human trafficking, NETGEAR has committed to the following:

1. NETGEAR assesses the risk related to its supply chain through various means, including factory profile information and internal factory quality assessments for its direct commercial suppliers. The assessment is conducted by NETGEAR employees.
2. NETGEAR conducts social compliance audits of its suppliers. NETGEAR has developed and issued a NETGEAR Supplier Code of Conduct to its direct suppliers. Direct suppliers are evaluated in relation to their compliance with the Supplier Code of Conduct through periodic audits. NETGEAR audits are currently announced and performed by third party auditors.
3. NETGEAR's Supplier Code of Conduct states that its suppliers must adopt or establish a management system designed to ensure compliance with the Supplier Code of Conduct and proportional to the individual supplier's profile. The management system shall be designed to ensure a) compliance with applicable laws, regulations, and customer requirements related to the suppliers operations and products, including trafficking and slavery; b) conformance with the Supplier Code of Conduct; and c) identification and mitigation of operational risks related to the Supplier Code of Conduct. It should also facilitate continuous improvement and include such measures as periodic audits, training, and adequate documentation of compliance. NETGEAR provides our suppliers with our Supplier Code of Conduct. NETGEAR requests that the suppliers sign a certification acknowledging that they have read and agree with the Supplier Code of Conduct.
4. To monitor compliance, NETGEAR engages third party auditors to conduct onsite audits with corrective action plans should any exceptions be found. NETGEAR reviews all audit findings with the factory's senior management team. NETGEAR verifies that any specific violations found are remedied within a reasonable period of time.

Each year, NETGEAR audits more suppliers across our supply base. We take a risk based approach when selecting the suppliers that we audit.

NETGEAR believes that the best way to combat incidences of human trafficking and slavery within NETGEAR's supply chain is to work with the cooperation of suppliers through the establishment of clear expectations and protocols.
5. NETGEAR conducts internal training on the Supplier Code of Conduct to ensure that necessary participants in supply chain management are knowledgeable and aware of the issues and concerns surrounding supply chain, including human trafficking and slavery. NETGEAR encourages employees involved in NETGEAR's supply chain to participate in external training programs and seminars on social compliance issues.