



CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT

Updated: March 2, 2012

The California Transparency in Supply Chains Act of 2010 (SB 657) (the "Act") went into effect January 1, 2012. This law requires large retailers and manufacturers who do business in the state of California, and have gross worldwide sales of over \$100M USD, to be transparent about the efforts they have undertaken to eradicate slavery and human trafficking in their supply chain. The Act requires disclosure regarding verification, auditing, certification, internal accountability, and training.

Verification

Silver Spring Networks ("Silver Spring") engages in verification of product supply chains through 1) the use of turnkey contract manufacturing partners whom comply with the Act, 2) the use of supplier questionnaires and 3) inspection of supplier facilities. Silver Spring requires its suppliers to comply with all applicable laws. Supplier verifications are not conducted by a third party.

Auditing

Silver Spring regularly conducts audits of its critical suppliers to evaluate overall supplier performance, their ability to meet product standards, and compliance with various laws. These audits are not performed by independent auditors and they are not unannounced.

Certification

Silver Spring requires its direct suppliers, in its agreements with direct suppliers or via purchase order terms and conditions, to certify their compliance with all applicable laws, rules, regulations, orders, conventions, ordinances and standards that relate to the manufacture and supply of products and services purchased.

Internal Accountability

Should Silver Spring be made aware of any violation of a law by an employee or supplier in the manufacture or supply of products and services purchased, Silver Spring will investigate the suspected case of non-compliance and will terminate such employee or a supplier agreement when a serious breach is found to have occurred.

Training

Silver Spring has adopted its own Code of Conduct ("Code") for its employees and contractors. The Code explicitly prohibits unethical or illegal business practices and directs employees and contractors to deal fairly and honestly with suppliers based on normal commercial considerations. Silver Spring provides training on the standards in the Code for its employees and management, although specific training on eradicating slave labor and human trafficking is not provided.