

California Transparency in Supply Chains Act

May 29, 2015



Sigma Designs, Inc. is dedicated to ensuring that our supply chain reflects our values and respect for human rights. We expect our suppliers to conduct their business in a lawful manner, through honest dealing, in fair and decent working conditions without exploitation and with regard to the environment. Sigma Designs is committed to continuously enhancing our processes and procedures to better-address these global issues.

The California Transparency in Supply Chains Act of 2010 (SB 657) (the "Act") is effective in the State of California as of January 1, 2012. The Act requires certain retail and manufacturing companies to disclose their efforts to ensure that their supply chain is free of slavery and human trafficking.

Verification

Sigma Designs, Inc. enters into purchasing agreements or purchase order terms and conditions with our direct suppliers. The terms of these agreements require our suppliers to comply with all applicable laws and regulations, as well as adhere to certain supplier guiding principles, including prohibitions on forced or child labor, slavery and human trafficking.

Our supplier guiding principles also require our direct suppliers to certify that the materials incorporated into our products comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business

Audit

Sigma Designs internal quality assurance team announces and conducts audits of our direct suppliers to evaluate their compliance with our anti-slavery and human trafficking company standards. Audit practices consist of interviews and questionnaires of relevant supplier personnel. A Sigma Designs supplier that fails to comply with applicable laws or ethical business practices may be subject to immediate business suspension or termination.

Certification

Prior to entering into agreements with our direct suppliers, suppliers must certify compliance with all relevant local laws and regulations, Sigma Designs Supplier Code of Conduct, including specific prohibitions against forced labor, child labor, indentured labor as well as against subjecting workers to any form of compulsion, coercion or human trafficking.

Internal Accountability

Sigma Designs requires all employees to comply Sigma Designs' Code of Business Conduct and Ethics, which includes compliance with all applicable laws. In the event of an employee compliance issue, Sigma provides written notice to the employee of their failure to act



accordingly, and offers the employee an opportunity to remediate the conduct. If necessary, our company reserves the right to terminate a business relationship with an employee.

Training

All Sigma Designs employees who engage in quality assurance and supply chain management are required to receive training regarding Sigma Designs' practices and procedures that have been developed to drive supplier-accountability and ensure that our supply chain is free of subjecting any workers to any form of compulsion, coercion, slavery or human trafficking.