



**HTC Corporation**

**Supplier Code of Conduct**

## HTC CORPORATION SUPPLIER CODE OF CONDUCT

HTC's Supplier Code of Conduct ("Code") describes our corporate responsibility requirements for our suppliers. As a condition of doing business with HTC, we expect suppliers and their next tier suppliers to acknowledge and implement these requirements and ensure responsible business practices. HTC will assess compliance to these requirements and will consider the Suppliers' progress in meeting these requirements and their ongoing performance in making partnership selections.

The labor, health and safety, and ethics requirements outlined in the Code are consistent with the concepts and language of the Responsible Business Alliance (RBA) *Responsible Business Alliance Code of Conduct* and the United Nations' *Universal Declaration of Human Rights*. Other references can be found in the References section of this Code.

### **LABOR**

Suppliers are required to uphold the human rights of their employees and to treat them with dignity and respect as understood by the international community. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of workers.

#### **Freely Chosen Employment**

Supplier shall not use any form of forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, or slavery or trafficking of persons. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction, or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities. As part of the hiring process, workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms. All work will be voluntary, and workers shall be free to leave work or terminate employment at any time upon reasonable notice. Workers shall not be required to hand over government-issued identification, passports or work permits to the Suppliers or labor agent as a condition of employment. Employers and agents may not hold or otherwise destroy, conceal, confiscate, or deny access by employees to their identity or immigration documents, such as government-issued identification, passports, or work permits, unless such holdings are required by law. Workers shall not be required to pay employers' or agents' recruitment fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

#### **Non-Discrimination**

Suppliers should be committed to a workforce free of harassment and unlawful discrimination. Suppliers shall not engage in discrimination based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information, or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. In addition, workers or potential workers should not be subjected to medical/pregnancy tests that could be used in a discriminatory way. Workers with disabilities will be provided reasonable job accommodations as needed to perform their job function. Workers shall be provided with reasonable accommodation for religious practices.

#### **Humane Treatment**

Suppliers shall not threaten workers with or subject them to harsh or inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse.

Disciplinary policy and procedures in support of these requirements shall be clearly defined and communicated to workers.

### **Young Workers**

Child labor is not to be used in any stage of manufacturing. The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. Suppliers shall comply with all employment laws and regulations in countries they operate, as well as maintain and update documentation and age verification procedures and records across all factories. Workers under age 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. Suppliers shall insure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable law and regulations. Suppliers shall provide appropriate support and training to student workers. In the absence of local law, student workers, interns and apprentices shall be provided at least the same wage rate as other entry-level workers performing equal or similar tasks.

### **Working Hours**

Suppliers shall comply with local laws regarding daily and weekly working hours, including laws concerning maximum overtime. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers shall be allowed at least one day off per seven-day week.

### **Wages and Benefits**

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. For each paid period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor will be within the limits of the local law.

### **Freedom of Association**

Suppliers shall respect the rights of workers to associate freely, join or not join labor unions, bargain collectively, seek representation, join workers' councils, and engage in peaceful assembly in accordance with local laws. Workers and/or their representatives shall be able to communicate openly with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment.

## **HEALTH AND SAFETY**

In addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention, and morale throughout the business lifecycle. Ongoing worker input and education is essential to identifying and solving health and safety issues in the workplace.

### **Occupational Safety**

Suppliers must identify, assess, and control for exposure to safety hazards (e.g., chemical, electrical and other energy sources, fire, vehicles, and fall hazards) through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout), and ongoing safety training. When hazards cannot be adequately controlled by these means, suppliers will provide employees with appropriate, well-maintained personal protective equipment and educational materials about risks associated with these hazards. Workers shall be encouraged to raise safety concerns.

Reasonable steps must also be taken to remove pregnant women/nursing mothers from working conditions with high hazards, remove or reduce any workplace health and safety risks to pregnant women and nursing mothers including those associated with their work assignments, as well as include reasonable accommodations for nursing mothers.

### **Emergency Preparedness**

Suppliers shall identify and assess emergency situations and events and implement plans and response procedures to minimize impact. These include: emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment and property.

### **Occupational Injury and Illness**

Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness, including provisions to encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate return of workers to work.

### **Industrial Hygiene**

Worker exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled. Where possible, actual and potential hazards are to be eliminated or controlled through proper design, engineering, and administrative controls. When hazards cannot be adequately controlled by such means, workers are to be provided with and use appropriate, well-maintained, personal protective equipment. Protective programs shall include educational materials about the risks associated with these hazards.

### **Physically Demanding Work**

Supplier must identify, evaluate, and control for worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks. The use of appropriate automation machinery to reduce repetitive strain injuries is also encouraged.

### **Machines safeguarding**

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

### **Sanitation, Food, and Housing**

Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by the Suppliers are to be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting, heat and ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

### **Health and Safety Communication**

Suppliers shall provide workers with appropriate workplace health and safety information and training in their primary language or in a language the worker can understand for all identified workplace hazards including, but not limited to, mechanical, electrical, chemical, fire, and physical hazards. Health and safety related information shall be clearly posted in the facility. Training must be provided to all workers prior to beginning work and regularly thereafter. Workers shall be encouraged to raise safety concerns.

## **ENVIRONMENTAL**

In manufacturing operations, adverse effects on the community, environment, and natural resources are to be minimized while safeguarding the health and safety of the public. Suppliers are expected to operate in an environmentally responsible manner and comply with all applicable environmental laws in order to safeguard the health and safety of the public.

### **Environmental Permits and Reporting**

Suppliers must obtain, maintain, and keep current all required environmental permits and registrations and follow the operational and reporting requirements of such permits.

### **Pollution Prevention and Resource Reduction**

The use of resources and generation of waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

### **Hazardous Substances**

Chemicals and other materials posing a hazard to humans or the environment are to be identified, labelled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.

### **Solid Waste**

Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle non-hazardous solid waste.

### **Air Emissions**

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge. Supplier shall conduct routine monitoring of the performance of its air emission control systems.

### **Materials Restrictions**

Suppliers are to adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

### **Water management**

Suppliers shall implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water, and controls channels of contamination. Wastewater generated from operations, industrial processes and sanitation facilities is to be characterized, monitored, controlled and treated as required prior to discharge or disposal. Suppliers shall conduct routine monitoring of the performance of its wastewater treatment systems to ensure optimal performance and regulatory compliance.

### **Energy Consumption and Greenhouse Gas Emissions**

Energy consumption and all relevant Scope 1 and 2 greenhouse gas emissions are to be tracked and documented at the facility and /or corporate level. Suppliers are to look for cost-effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

## **ETHICS AND INTEGRITY**

To meet social responsibilities, Suppliers and their next-tier suppliers are required to conduct business in an ethical manner and act with integrity.

### **Sourcing Conflict-free Minerals**

HTC has made it a policy to avoid sourcing minerals from the Central African region altogether. Suppliers are required to follow HTC's mineral sourcing policy and eliminate the use of conflict minerals. HTC will continue to promote responsible mineral sourcing and expect Suppliers to communicate our conflict-free policy with next-tier suppliers. Participants shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available to customers upon request.

### **Business Integrity**

Suppliers shall uphold the highest standards of integrity in all business interactions, including a zero tolerance policy against all forms of bribery, corruption, extortion or embezzlement.

### **No Improper Advantage**

Bribes or other means of obtaining undue or improper advantage are not to be offered or accepted, including any money, object of value or preferential treatments. Suppliers may not offer HTC employees gifts or any other kind of personal benefit resulting from the relationships with such Supplier. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

### **Disclosure of Information**

All business transactions should be transparently performed and accurately reflected on the Supplier's business books and records. Information regarding suppliers' labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentations of conditions or practices in the supply chain are unacceptable.

### **Intellectual Property**

Intellectual property rights are to be respected. Transfers of technology and know-how is to be done in a manner that protects intellectual property rights. Suppliers will safeguard all customer and supplier information.

### **Fair Business, Advertising and Competition**

Suppliers shall uphold all standards of fair business, advertising and competition, including all laws and regulations.

### **Protection of Identity and Non-Retaliation**

Programs that ensure the confidentiality, anonymity and protection of supplier and employee whistleblowers<sup>1</sup> are to be maintained unless prohibited by law. Suppliers should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

### **Privacy**

Suppliers are to commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers, and employees. Suppliers are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

## **MANAGEMENT SYSTEMS**

Suppliers shall implement management systems to facilitate adherence to all applicable laws, regulations, and customer requirements related to operations and products; conformance with this

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<sup>1</sup> Whistleblower definition: Any person who makes a disclosure about improper conduct by an employee or officer of a company.

Code; and identification and mitigation of operational risks related to this Code. Facilitating continual improvement should be an ongoing management goal.

### **Company Commitment**

Suppliers should maintain corporate social and environmental responsibility policy statements affirming their commitment to compliance and continual improvement, endorsed by executive management and posted in the facility in the local language.

### **Management Accountability and Responsibility**

Suppliers must identify senior executive and company representative(s) responsible for ensuring implementation of the management systems and associated programs. Senior management should review the status of their management systems on a regular basis.

### **Legal and Customer Requirements**

Suppliers shall have a process to identify, monitor and understand applicable laws, regulations and customer requirements, including the requirements of this Code.

### **Risks Assessment and Risk Management**

Suppliers shall have a process to identify the environmental, health and safety<sup>2</sup> and labor practices and ethics risks associated with their operations. This should include a determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

### **Improvement Objectives**

Suppliers are expected to set up written performance objectives, targets and implementation plans to improve their social and environmental performance, including a periodical assessment of suppliers' performance in achieving these objectives.

### **Training**

Supplier must maintain programs for training managers and workers to implement Supplier's policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.

### **Communication**

Supplier must have a process for communicating clear and accurate information about Supplier's policies, practices, expectations and performance to workers, suppliers and customers.

### **Worker Feedback and Participation**

Supplier should maintain ongoing processes, including an effective grievance mechanism, to assess employees' understanding of and obtain feedback on or violations against practices and conditions covered by this Code and foster continuous improvement.

### **Audits and Assessments**

Suppliers shall participate in periodic self-evaluations to ensure compliance to legal and regulatory requirements, the content of the Code and other contractual requirements related to social and environmental responsibility.

### **Corrective Action Process**

Suppliers shall have a process for timely correction of deficiencies identified by internal and external assessments, inspections, investigations and reviews.

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<sup>2</sup> Areas included in a risk assessment for environmental health and safety should include production areas, warehouse and storage facilities, plant/facilities support equipment, laboratories and test areas, sanitation facilities (bathrooms), kitchen/cafeteria, and worker housing/dormitories.

**Documentation and Records**

Suppliers shall have an ongoing process to create and maintain documents and records to ensure regulatory compliance and conformity to Code along with appropriate confidentiality to protect privacy.

**Supplier Responsibility**

Suppliers shall have a process to communicate Code requirements to next-tier suppliers and to monitor their compliance to the Code and all applicable laws and regulations.



## REFERENCES

HTC consulted the following references in preparing this Code:

**Responsible Business Alliance (RBA) Code of Conduct**

<http://www.responsiblebusiness.org/standards/code-of-conduct/>

**International Labor Standards (ILO)**

<http://www.ilo.org/global/standards/lang--en/index.htm>

**ILO Code of Practice in Safety and Health**

<http://www.ilo.org/safework/lang--en/index.htm>

**OECD Guidelines for Multinational Enterprises**

[www.oecd.org](http://www.oecd.org)

**United Nations Convention Against Corruption**

<https://www.unodc.org/unodc/en/treaties/CAC/>

**United Nations Global Compact**

[www.unglobalcompact.org](http://www.unglobalcompact.org)

**United Nations Universal Declaration of Human Rights**

<http://www.un.org/en/universal-declaration-human-rights/>

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**[Signed by Supplier]**

**Company Name/公司名稱 :**

**Company Address/公司地址 :**

**Company representative/代表人 :**

**Company Stamp/公司章 :**

**Date/日期 :**