



# **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 ("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 Electronic Industry Citizenship Coalition (EICC) *Electronic Industry 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.

#### **Non-Discrimination**

Suppliers shall not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership or marital status in hiring and employment practices such as 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.

#### **Fair Treatment**

Suppliers shall have a process to create and provide a workplace free of harassment. Suppliers shall not threaten workers with or subject them to harsh or inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental coercion, physical coercion, verbal abuse or unreasonable restrictions on entering or exiting company provided facilities.

#### **Prevention of Child Labor**

Child labor is not to be used in any stage of manufacturing. 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.

#### **Freely Chosen Employment**

Supplier shall not use any form of forced, bonded or indentured labor or involuntary prison labor. All work will be voluntary, and workers shall be free to leave 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.

**Working Hours**

Suppliers shall comply with local laws regarding daily and weekly working hours, including laws concerning maximum overtime. Adequate compensation and leave policy on the basis of job description and responsibility for each position shall also be provided. 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. The basis on which workers are being paid is to be provided in a timely manner via pay stub or similar documentation.

**Freedom of Association**

Suppliers shall respect the rights of workers to associate freely, join or not join labor unions, seek representation, join workers' councils in accordance with local laws. Workers shall be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation or harassment.

**Health and Safety**

Suppliers are required to provide a safe and healthy working environment to their business processes.

**Occupational Safety**

Suppliers shall protect their employees from any chemical, biological and physical hazards and physically demanding tasks in the workplace as well as from risks associated with any infrastructures used by their employees. Suppliers will provide appropriate controls, safe work procedures, preventative maintenance, and necessary technical protective measures to mitigate health and safety risks in the workplace. When hazards cannot be adequately controlled by these means, suppliers will provide employees with appropriate personal protective equipment.

**Emergency Preparedness and Systems**

Suppliers shall establish and implement emergency procedures and systems to monitor and report occupational injury and illness. These include: emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans.

**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: a) encourage worker reporting; b) classify and record

injury and illness cases; c) provide necessary medical treatment; d) investigate cases and implement corrective actions to eliminate their causes; and e) facilitate return of workers to work.

### **Physically Demanding Work**

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 is to be identified, evaluated and controlled. The use of appropriate automation machinery to reduce repetitive strain injuries is also encouraged.

### **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 heat and ventilation, and reasonable personal space along with reasonable and exit privileges.

## **Environmental**

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. .

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

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**

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

### **Wastewater and Solid Waste**

Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be characterized, monitored, controlled and treated as required prior to discharge or disposal.

### **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.

### **Environmental Permits and Regulatory Compliance**

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

## 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.

### **Business Integrity**

Suppliers shall not to practice or tolerate any forms of corruption, extortion or embezzlement. Monitoring and enforcement procedures shall be implemented to ensure conformance. 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 the Suppliers.

### **Disclosure of Information**

Information regarding business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices.

### **Privacy and Intellectual Property**

Privacy and intellectual property rights are to be respected. Suppliers will safeguard and make only appropriate use of confidential information and ensure that all employees', customers' and business partners' privacy and valid intellectual property rights are protected.

### **Fair Business and Competition**

Suppliers shall uphold all standards of fair business, advertising and competition, including all laws and regulations. The use of appropriate means to safeguard customer information must be available.

### **Protection of Identity**

Programs that ensure the confidentiality and protection of supplier and employee whistleblower<sup>1</sup> are to be maintained.

## Management System

Suppliers shall implement management systems to facilitate adherence to all applicable laws and to promote continual improvement with respect to the expectations set forth in the Code.

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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.

### **Legal and Regulatory Requirements**

Suppliers shall comply with all applicable quality, health, safety and environmental regulations. All required permits, licenses and registrations will be obtained, maintained and kept up-to-date. Suppliers must fulfill their operational and reporting requirements.

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

Suppliers shall have a process to provide a process to identify the environmental, health and safety and labor practice and ethics risks associated with their operations. 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.

### **Commitment and Accountability**

Suppliers are required to fulfill the expectations set forth in the Code by allocating appropriate resources. They will communicate the principles set forth in the Code to their supply chain.

### **Continuous Improvement**

Suppliers are expected to continuously improve their sustainability performance by implementing appropriate measures to help them comply with labor, health and safety and environmental standards required by this Code.

### **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 HTC assessments, inspections, investigations and reviews.

### **Documentation and Records**

Suppliers shall have an ongoing process to create and maintain documents and records to ensure regulatory compliance and conformity to Code, 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:

### **Electronic Industry Citizenship Coalition (EICC) Electronic Industry Code of Conduct**

<http://www.eicc.info/>

**International Labor Standards (ILO)**

<http://www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm.ilo.org>

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

[www.ilo.org/public/english/protection/safework/cops/english/download/e000013.pdf](http://www.ilo.org/public/english/protection/safework/cops/english/download/e000013.pdf)

**OECD Guidelines for Multinational Enterprises**

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

**United Nations Convention Against Corruption**

[www.unodc.org/unodc/en/crime\\_convention\\_corruption.html](http://www.unodc.org/unodc/en/crime_convention_corruption.html)

**United Nations Global Compact**

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

**United Nations Universal Declaration of Human Rights**

<http://www.un.org/en/documents/udhr/index.shtml>