

# Epson Group Supplier Guidelines

Ver. 7.0

## **Seiko Epson Corporation**

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## 1. Preface

Epson seeks to make the world a better place through our Epson products and services we provide and through the actions we take to address societal problems. This fundamental commitment is outlined in Epson's Management Philosophy. We consider every action taken to live up to the Epson Management Philosophy to be a part of our corporate social responsibility (CSR).

The Epson Group Supplier Guidelines were established to provide a guide to conduct that Epson's executive management team and employees, along with the entire supply chain<sup>1</sup>, must practice if we are to fulfill our social responsibility and achieve our goal of building trust around the world and achieving sustainability. In addition to quality, cost, delivery and other direct business concerns, these guidelines cover social issues in areas such as human rights, labor, and the environment.

<sup>1</sup> The supply chain is made up not only of individuals and organizations that supply direct materials but also of those who are involved in the purchase and servicing of everything from office (expendable) supplies to the machinery and equipment needed for business activities.

Epson asks that you review and understand the spirit of these guidelines and that you agree to implement and act in accordance with them. We also ask that you effectively communicate the Epson Group Supplier Guidelines to your own suppliers.

Epson would not depend on entertainment and gifts to facilitate business. Believing that building transparent relationships fosters mutual trust and prosperity, Epson declines all entertaining and gift-giving from existing and potential suppliers. Please understand that Epson is committed to engaging in fair and impartial business practices and does not engage in reciprocal dealing.

Please see the link below for more information about CSR activities in Epson's Supply Chain. [https://global.epson.com/SR/supply\\_chain\\_csr/](https://global.epson.com/SR/supply_chain_csr/)

## 2. Epson Management Philosophy and Principles of Corporate Behavior

Epson's Management Philosophy describes how we want Epson to be. Epson will fulfill its social responsibility by living up to Epson's Principles of Corporate Behavior, which is based on "trust-based management," a concept that underlies Epson's Management Philosophy. We aim to be an indispensable company for our customers and the world.

<p style="text-align: center;"><b>Management Philosophy</b> Epson aspires to be an indispensable company, trusted throughout the world for our commitment to openness, customer satisfaction and sustainability. We respect individuality while promoting teamwork, and are committed to delivering unique value through innovative and creative solutions.</p> <p style="text-align: center;"><b>EXCEED YOUR VISION</b> As Epson employees, we always strive to exceed our own vision, and to produce results that bring surprise and delight to our customers.</p>
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### Principles of Corporate Behavior

1. Pursuing customer satisfaction  
We think of our customers' perspective at all times and continue to create trusted products and services that please customers around the world.
2. Preserving the natural environment  
We integrate environmental considerations into our corporate activities and actively strive to meet high conservation standards when fulfilling our responsibilities as a good corporate citizen.
3. Fostering diverse values and teamwork  
We strengthen teamwork by recognizing the value of a diverse workforce and creating synergies between individuals and our organization.
4. Creating a safe, healthy, and fair work environment in which human rights are respected  
We respect basic human rights and create a cheerful, safe, healthy, and fair work environment that is free of discrimination.
5. Ensuring effective governance and compliance  
We institute effective corporate governance and internal control, and we observe laws, regulations, and other rules and maintain the highest ethics in all activities.
6. Ensuring the security of people, assets, and information  
We protect the safety and security of people and company assets, and we exercise strict care in the management of all information.
7. Working with business partners for mutual benefit  
We seek to maintain mutually beneficial relationships with our suppliers, sales channels, collaborators, and other business partners, whom we ask to live up to the highest standards of ethical conduct while respecting their autonomy and independence.

8. Prospering with the community

We actively contribute to the communities in which we operate, as well as to the international community, facilitating mutually beneficial relationships.

9. Initiating honest dialog with our stakeholders

We maintain open lines of communication with our stakeholders, thoughtfully considering their views and suggestions.

3. Basic Procurement Policy

- 1) We will build good partnerships with suppliers, based on mutual trust and the principles of fairness, coexistence and co-prosperity.
- 2) Exercising high ethical standards and a social conscience, we will conduct our procurement activities in strict compliance with both the letter and spirit of laws and regulations, both national and international, in every region where we operate.
- 3) We will strive to reduce the environmental impacts of our procurement activities and will always seek stable and reasonable quality, price, and delivery from suppliers.

4. Expectations of Suppliers

- 1) Observance of laws, regulations, and social norms  
Conduct all business activities in accordance with the laws, regulations, and generally accepted standards of the countries in which you operate.
- 2) Continuous supply of goods of suitable quality  
The quality of raw materials, parts, and other goods procured from suppliers affects the performance of Epson products and, in some cases, has the potential to cause serious defects affecting product safety. Therefore, we expect our suppliers to establish and operate a quality assurance system that is in line with separately presented quality assurance standards.
- 3) Supply of cost-competitive goods  
The price of raw materials, parts, and other goods procured from suppliers significantly affects the cost competitiveness of Epson's finished products. Continuously streamline operations and reduce prices of raw materials and parts so as to maintain market competitiveness.
- 4) Ability to respond to fluctuations in demand  
Production fluctuates depending on things such as customer demand. Suppliers must therefore rigorously manage delivery schedules through tight communication with Epson and must sustain a stable supply of parts and raw materials by maintaining the ability to respond to demand fluctuations. Meet delivery commitments and continuously try to shorten lead-times.
- 5) Responsible sourcing of minerals  
Establish a survey system for gathering information on minerals used in products and provide products that do not use minerals from supply chains that are involved in human rights abuses, conflicts, or environmental destruction.
- 6) Environmental  
Agree to the Epson Group Green Purchasing Standard for Production Materials and provide direct materials that satisfy the standard.

- 7) Information security and cyber security  
Suppliers and their subcontractors that use information systems in their operations are to implement technological and organizational measures to defend against computer network security threats (e.g., unauthorized access, malware, and targeted attacks). They shall put in place systems for pinpointing the scope of damage from actual attacks, an organization for mounting an initial response to prevent harm from spreading, and an organization for promptly investigating measures to prevent future incidents. This includes readying plans and schemes for restoring IT systems that have been harmed by a cyberattack that has brought operations to a halt. Suppliers who are asked by Epson to preserve the secrecy of information that Epson provides under a non-disclosure agreement or other arrangement are to abide by the terms therein as they apply to the information (including goods) that Epson asked to be kept secret as well as to information (including goods) created using that information.
- 8) Management of borrowed assets  
Suppliers are to observe applicable agreements and laws when they borrow and use Epson assets in production. They shall take appropriate care of borrowed assets so that they are in a normal, usable condition at all times. Suppliers are to promptly respond to requests for proof of receipt, requests to conduct an inventory, and requests to conduct on-site inspections of usage conditions.  
\*Note: Epson sometimes loans equipment that suppliers need to produce goods for Epson. However, such loans require the conclusion of a basic business agreement or separate lease in which the supplier's duty of care is prescribed.
- 9) Business continuity management (BCM)  
Suppliers are to build a BCM system and have in place a multifaceted action plan (a business continuity plan [BCP]) for continuing business operations in the event of a fire, accident, disaster, disease epidemic, or other disruption. The plan shall also cover procedures for resuming business operations within a set time target. The object of the system is to minimize business harm and losses in the event of disruption. Suppliers are to fulfill their supply obligations by preventing or limiting supply disruptions.
- 10) International trade control  
When importing or exporting goods, providing technology, or engaging in international brokered transactions, suppliers are to comply with export control laws and regulations in their country of residence. Moreover, they shall not engage in conduct that violates U.S. Export Administration Regulations when they are subject to the extraterritorial application of these regulations.  
When importing goods, comply with the customs laws of the country of residence and pay the appropriate tariffs, consumption taxes, and other duties.
- 11) International trade control-related security in the supply chain and shipping management  
Suppliers are to ensure security in international trade control and to correctly manage shipping.  
(1) Area security: Control employee and visitor access to the premises of shipping centers and lock buildings and facilities.

- (2) Goods security: Prevent unauthorized persons from accessing goods for import/export and prevent unidentified goods from being mixed in with the goods for import/export throughout storage and shipping operations.
- (3) Personnel security: Employ workers whose identity has been verified.
- (4) Shipping management: Verify that actual goods and their identifying information match.
- (5) Shipping management: Verify that actual goods and their export paperwork match.

Suppliers to whom the expectations apply

Expectations	Suppliers to whom expectations apply
1) Observance of laws, regulations, and social norms	All suppliers
2) Continuous supply of goods of suitable quality	All suppliers
3) Supply of cost-competitive goods	All suppliers
4) Ability to respond to fluctuations in demand	All suppliers
5) Responsible sourcing of minerals	Suppliers of direct materials*
6) Environmental	Suppliers of direct materials*
7) Information security and cyber security	All suppliers
8) Management of borrowed assets	Suppliers who are borrowing Epson assets
9) Business continuity management (BCM)	All suppliers
10) International trade control	Suppliers that import and export goods
11) International trade control-related security in the supply chain and shipping management	Suppliers that import and export goods

\*Direct materials are those raw materials and parts that are needed in product assembly. Outsourced processing is also considered to be direct material procurement.

## 5. Evaluation and Survey Program

Epson assesses supplier compliance with Epson Group Supplier Guidelines, shares issues with suppliers, and works jointly with suppliers to make improvements. Epson decides which suppliers to evaluate based on the size and nature of transactions.

Suppliers are typically evaluated or surveyed by using one or a combination of the following methods: a self-assessment questionnaire (checklist), interview, on-site verification, or third-party audit.

Suppliers are asked to promptly take action to implement suggestions for improvement made on the basis of evaluation or survey results. Depending on the situation, Epson may provide assistance. If a supplier does not implement suggested improvements, does not resolve issues after a certain period of time, or does not cooperate with an evaluation or survey, Epson will consider terminating the business relationship.

## Evaluation Program

<u>Credit assessment by a credit investigation service</u> Evaluation items: Credit score, business history, capital composition, size, financial position, financing situation, management, etc.
<u>Periodic evaluation</u> (an evaluation that is focused primarily on a supplier's QCDEM level) Evaluation items: Quality control (Q), cost management (C), delivery management (D), environmental management (E), management (M)
<u>Detailed evaluation</u> (an assessment of adherence to the Epson Supplier Code of Conduct) Evaluation items: Labor, safety and health, environmental, ethics, and management systems
<u>Evaluation of emergency response capabilities</u> (an assessment of ability to respond to a natural disaster, fire, or other emergency) Evaluation items: Management involvement, risk countermeasures, emergency response capability, operations resilience, ability to secure alternative sources, ability to maintain procurement, information disclosure, etc.
<u>Safety management evaluation</u> (an assessment of readiness to respond to fires and other emergency risks) Evaluation items: Management of electrical hazards, hazardous materials, fire prevention, etc.

## Survey Program

<u>Conflict minerals survey</u> Survey items: Conflict mineral use (use of 3TGs, etc.), and conflict mineral policies and initiatives
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## 6. Whistleblowing System

Epson has established compliance hotlines for receiving reports and consultations from suppliers regarding violations or potential violations of legislative requirements and the Epson Group Supplier Guidelines.

Suppliers are asked to report any real or suspected misconduct or legal, regulatory, or ethical violations relating to Epson's operations or involving Epson officers or employees.

By establishing compliance hotlines, Epson will further promote corporate ethics.

## 7. Supplier Code of Conduct

Epson, as a member of the Responsible Business Alliance (RBA), strives to operate in compliance with the RBA Code of Conduct. All suppliers are asked to observe the RBA Code of Conduct, which sets forth standards of conduct for ensuring that working conditions in the supply chain are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically.

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





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## RESPONSIBLE BUSINESS ALLIANCE CODE OF CONDUCT

The Responsible Business Alliance (RBA), formerly the Electronic Industry Citizenship Coalition (EICC), Code of Conduct establishes standards to ensure that working conditions in the electronics industry, or industries in which electronics are a key component, and its supply chains are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically.

Considered as part of the electronics industry for purposes of this Code are all organizations that may design, market, manufacture, or provide goods and services that are used to produce electronic goods. The Code may be voluntarily adopted by any business in the electronics sector and subsequently applied by that business to its supply chain and subcontractors, including providers of contract labor.

To adopt the Code and become a participant (“Participant”), a business shall declare its support for the Code and actively pursue conformance to the Code and its standards in accordance with a management system as herein.

Participants must regard the Code as a total supply chain initiative. At a minimum, Participants shall also require its next tier suppliers to acknowledge and implement the Code.

Fundamental to adopting the Code is the understanding that a business, in all of its activities, must operate in full compliance with the laws, rules, and regulations of the countries in which it operates.<sup>1</sup> The Code also encourages Participants to go beyond legal compliance, drawing upon internationally recognized standards, in order to advance social and environmental responsibility and business ethics. In no case can complying with the Code violate local laws. If, however, there are differing standards between the RBA Code and local law, the RBA defines conformance as meeting the strictest requirements. In alignment with the UN Guiding Principles on Business and Human Rights, the provisions in this Code are derived from and respect internationally recognized standards including the ILO Declaration on Fundamental Principles and Rights at Work and the UN Universal Declaration of Human Rights.

The RBA is committed to obtaining regular input from stakeholders in the continued development and implementation of the Code of Conduct.

The Code is made up of five sections. Sections A, B, and C outline standards for Labor, Health and Safety, and the Environment, respectively. Section D adds standards relating to business ethics. Section E outlines the elements of an acceptable system to manage conformity to this Code.

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<sup>1</sup> The Code is not intended to create new and additional third-party rights, including for workers.



## A. LABOR

Participants are committed to uphold the human rights of workers, 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 worker. The recognized standards, as set out in the References, were used in preparing the Code and may be useful sources of additional information.

The labor standards are:

### 1) Freely Chosen Employment

Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted. 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 including, if applicable, workers' dormitories or living quarters. As part of the hiring process, all workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment. Foreign migrant workers must receive the employment agreement 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 must be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per worker's contract. Employers, agents, and sub-agents' may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits. Employers can only hold documentation if such holdings are required by law. In this case, at no time should workers be denied access to their documents. Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

### 2) Young Workers

Child labor is not to be used in any stage of manufacturing. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. Participants shall implement an appropriate mechanism to verify the age of workers. The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. Participants shall ensure 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 laws and regulations. Participants shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns, and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks. If child labor is identified, assistance/remediation is provided.

### 3) Working Hours

Studies of business practices clearly link worker strain to reduced productivity, increased turnover, and increased injury and illness. Working hours are not to exceed the maximum set by local law. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. All overtime must be voluntary. Workers shall be allowed at least one day off every seven days.

### 4) 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 pay 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.

### 5) Humane Treatment

There is to be no harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

### 6) Non-Discrimination/Non-Harassment

Participants should be committed to a workplace free of harassment and unlawful discrimination. Companies shall not engage in discrimination or harassment 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. Workers shall be provided with reasonable accommodation for religious practices. In addition, workers or potential workers should not be subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way. This was drafted in consideration of ILO Discrimination (Employment and Occupation) Convention (No.111).



## 7) Freedom of Association

In conformance with local law, participants shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively, and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.



## B. HEALTH AND SAFETY

Participants recognize that 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. Participants also recognize that ongoing worker input and education are essential to identifying and solving health and safety issues in the workplace.

Recognized management systems such as ISO 45001 and ILO Guidelines on Occupational Safety and Health were used as references in preparing the Code and may be useful sources of additional information.

The health and safety standards are:

### 1) Occupational Safety

Worker potential for exposure to health and safety hazards (chemical, electrical and other energy sources, fire, vehicles, and fall hazards, etc.) are to be identified and assessed, mitigated using the Hierarchy of Controls, which includes eliminating the hazard, substituting processes or materials, controlling through proper design, implementing engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout), and providing ongoing occupational health and safety training. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks to them associated with these hazards. Reasonable steps must also be taken to remove pregnant women and '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, and provide reasonable accommodations for nursing mothers.

### 2) Emergency Preparedness

Potential emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including emergency reporting, employee notification and evacuation procedures, worker training, and drills. Emergency drills must be executed at least annually or as required by local law, whichever is more stringent. Emergency plans should also include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment, and property.



### 3) 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 the return of workers to work.

### 4) Industrial Hygiene

Worker exposure to chemical, biological, and physical agents is to be identified, evaluated, and controlled according to the Hierarchy of Controls. If any potential hazards were identified, participants shall look for opportunities to eliminate and/or reduce the potential hazards. If elimination or reduction of the hazards is not feasible, potential hazards are to be 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 free of charge. Protective programs shall be ongoing and include educational materials about the risks associated with these hazards.

### 5) 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.

### 6) Machine 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.

### 7) 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 Participant or a labor agent are to be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting and heat and ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

### 8) Health and Safety Communication

Participants shall provide workers with appropriate workplace health and safety information and training in the language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to, including but not limited to



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mechanical, electrical, chemical, fire, and physical hazards. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers. Training is provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise any health and safety concerns without retaliation.



## C. ENVIRONMENT

Participants recognize that environmental responsibility is integral to producing world-class products. Participants shall identify the environmental impacts and minimize adverse effects on the community, environment, and natural resources within their manufacturing operations, while safeguarding the health and safety of the public. Recognized management systems such as ISO 14001 and the Eco Management and Audit System (EMAS) were used as references in preparing the Code and may be a useful source of additional information.

The environmental standards are:

### 1) Environmental Permits and Reporting

All required environmental permits (e.g. discharge monitoring), approvals, and registrations are to be obtained, maintained, and kept current and their operational and reporting requirements are to be followed.

### 2) Pollution Prevention and Resource Reduction

Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance, and facility processes; or by other means. The use of natural resources, including water, fossil fuels, minerals, and virgin forest products, is to be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling, or other means.

### 3) Hazardous Substances

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

### 4) Solid Waste

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

### 5) Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion byproducts generated from operations are to be characterized,





routinely monitored, controlled, and treated as required prior to discharge. Ozone-depleting substances are to be effectively managed in accordance with the Montreal Protocol and applicable regulations. Participants shall conduct routine monitoring of the performance of its air emission control systems.

### 6) Materials Restrictions

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

### 7) Water Management

Participants 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. All wastewater is to be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Participants shall conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

### 8) Energy Consumption and Greenhouse Gas Emissions

Participants are to establish a corporate-wide greenhouse gas reduction goal. Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions are to be tracked, documented, and publicly reported against the greenhouse gas reduction goal. Participants are to look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.



## D. ETHICS

To meet social responsibilities and to achieve success in the marketplace, Participants and their agents are to uphold the highest standards of ethics including:

### 1) Business Integrity

The highest standards of integrity are to be upheld in all business interactions. Participants shall have a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement.

### 2) No Improper Advantage

Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given, or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring, record keeping, and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

### 3) Disclosure of Information

All business dealings should be transparently performed and accurately reflected on the Participant's business books and records. Information regarding participant's 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 misrepresentation of conditions or practices in the supply chain are unacceptable.

### 4) Intellectual Property

Intellectual property rights are to be respected, transfer of technology and know-how is to be done in a manner that protects intellectual property rights, and customer and supplier information is to be safeguarded.

### 5) Fair Business, Advertising and Competition

Standards of fair business, advertising, and competition are to be upheld.



### 6) Protection of Identity and Non-Retaliation

Programs that ensure the confidentiality, anonymity, and protection of supplier and employee whistleblowers<sup>2</sup> are to be maintained, unless prohibited by law. Participants should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

### 7) Responsible Sourcing of Minerals

Participants shall adopt a policy and exercise due diligence on the source and chain of custody of the tantalum, tin, tungsten, and gold in the products they manufacture to reasonably assure that they are sourced in a way consistent with the Organisation for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or an equivalent and recognized due diligence framework.

### 8) Privacy

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

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<sup>2</sup> Whistleblower definition: Any person who makes a disclosure about improper conduct by an employee or officer of a company, or by a public official or official body.



## E. MANAGEMENT SYSTEMS

Participants shall adopt or establish a management system with a scope that is related to the content of this Code. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations and customer requirements related to the participant's operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement.

The management system should contain the following elements:

### 1) Company Commitment

Corporate social and environmental responsibility policy statements affirming Participant's commitment to compliance and continual improvement, endorsed by executive management, and posted in the facility in the local language.

### 2) Management Accountability and Responsibility

The Participant clearly identifies senior executive and company representative(s) responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management systems on a regular basis.

### 3) Legal and Customer Requirements

A process to identify, monitor and understand applicable laws, regulations, and customer requirements, including the requirements of this Code.

### 4) Risk Assessment and Risk Management

A process to identify the legal compliance, environmental, health and safety<sup>3</sup> and labor practice and ethics risks associated with Participant's 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.

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<sup>3</sup> Areas to be included in a risk assessment for environmental health and safety are production areas, warehouse and storage facilities, plant/facilities support equipment, laboratories and test areas, sanitation facilities (bathrooms), kitchen/cafeteria and worker housing/dormitories.



### 5) Improvement Objectives

Written performance objectives, targets and implementation plans to improve the Participant's social, environmental, and health and safety performance, including a periodic assessment of Participant's performance in achieving those objectives.

### 6) Training

Programs for training managers and workers to implement Participant's policies, procedures, and improvement objectives and to meet applicable legal and regulatory requirements.

### 7) Communication

A process for communicating clear and accurate information about Participant's policies, practices, expectations, and performance to workers, suppliers, and customers.

### 8) Worker Feedback, Participation and Grievance

Ongoing processes, including an effective grievance mechanism, to assess workers' understanding of and obtain feedback on or violations against practices and conditions covered by this Code and to foster continuous improvement. Workers must be given a safe environment to provide grievance and feedback without fear of reprisal or retaliation.

### 9) Audits and Assessments

Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code, and customer contractual requirements related to social and environmental responsibility.

### 10) Corrective Action Process

A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

### 11) Documentation and Records

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

### 12) Supplier Responsibility

A process to communicate Code requirements to suppliers and to monitor supplier compliance



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to the Code.



## REFERENCES

The following standards were used in preparing this Code and may be useful sources of additional information. The following standards may or may not be endorsed by each Participant.

Dodd-Frank Wall Street Reform and Consumer Protection Act

<http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf>

Eco Management & Audit System [http://ec.europa.eu/environment/emas/index\\_en.htm](http://ec.europa.eu/environment/emas/index_en.htm)

Ethical Trading Initiative [www.ethicaltrade.org/](http://www.ethicaltrade.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)

ILO International Labor Standards

[www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm](http://www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm)

ISO 14001 [www.iso.org](http://www.iso.org)

National Fire Protection Association [www.nfpa.org](http://www.nfpa.org)

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas <https://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf>

OECD Guidelines for Multinational Enterprises

<http://www.oecd.org/investment/mne/1903291.pdf>

Universal Declaration of Human Rights <https://www.un.org/en/universal-declaration-human-rights/>

United Nations Convention Against Corruption <https://www.unodc.org/unodc/en/treaties/CAC/>

United Nations Convention on the Rights of the Child

<https://www.ohchr.org/en/professionalinterest/pages/crc.aspx>

United Nations Convention on the Elimination of All Forms of Discrimination Against Women

<https://www.ohchr.org/EN/ProfessionalInterest/Pages/CEDAW.aspx>

United Nations Global Compact [www.unglobalcompact.org](http://www.unglobalcompact.org)

United States Federal Acquisition Regulation [www.acquisition.gov/far/](http://www.acquisition.gov/far/)

SA 8000 <https://sa-intl.org/programs/sa8000/>

Social Accountability International (SAI) [www.sa-intl.org](http://www.sa-intl.org)

Responsible Business Alliance Code of Conduct v7.0



**Responsible Business Alliance**

Advancing Sustainability Globally

## DOCUMENT HISTORY

Version 1.0 – Released October 2004.

Version 1.1 – Released May 2005. Converted document to RBA format, minor page layout revisions; no content changes.

Version 2.0 – Released October 2005 with revisions to multiple provisions.

Version 3.0 – Released June 2009 with revisions to multiple provisions.

Version 4.0 – Released April 2012 with revisions to multiple provisions.

Version 5.0 – Released November 2014 with revisions to multiple provisions.

Version 5.1 – Released March 2015 with revision to A1 to take effect January 1, 2016.

Version 6.0 – Released January 2018 with revisions to multiple provisions.

Version 7.0 – (to be released) January 2021

The RBA Code of Conduct was initially developed by a number of companies engaged in the manufacture of electronics products between June and October 2004. Companies are invited and encouraged to adopt this Code. You may obtain additional information from:

<http://www.responsiblebusiness.org>