



Xiaomi Supplier Code of Conduct



Introduction

Xiaomi is a consumer electronics and smart manufacturing company with smartphones and smart hardware connected by an IoT platform at its core. Our mission is to relentlessly build “amazing products with honest prices” and to let everyone in the world enjoy a better life through innovative technology. We strive to establish a globalised open ecosystem. Through constantly exploring advanced technologies and precisely targeting at the needs of users, we hope to be the coolest company in the users’ hearts. Meanwhile, working towards the UN Sustainable Development Goals (SDGs), Xiaomi actively cooperates with suppliers and partners in the social and environmental responsibility areas and is dedicated to building a low carbon society and maintaining the overall ecosystem health.

Based on the Responsible Business Alliance (RBA) Code of Conduct and Joint Audit Cooperation (JAC) Supply Chain Sustainability Guideline, international standards including but not limited to SA 8000, ISO 14001 and ISO 45001, and Xiaomi Supplier CSR Management Requirements, Xiaomi developed Xiaomi Supplier Social Responsibility Code of Conduct (hereinafter referred to as “the Code”). Xiaomi requires suppliers to comply with all the applicable laws and regulations of the countries/regions in which they operate; and the Code shall be strictly followed, as a prerequisite for cooperation. Xiaomi will assess its suppliers for their compliance with the Code. Any violation of the Code may undermine the business relationship between the supplier and Xiaomi. In the worst case, the cooperation between the two parties shall be terminated.

The Code provides an overview of Xiaomi’s expectations for its suppliers in five key aspects: Labour, Health and Safety, Environmental Protection, Business Ethics and Management Systems.

The Code applies to all Xiaomi suppliers.

Xiaomi reserves the right of final interpretation of the contents hereinafter.



1. Labour

Suppliers shall uphold the human rights of workers and treat them with dignity and respect as understood by the international community. Suppliers shall ensure that every worker employed is working in a fair and ethical workplace. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of workers.

1.1 Freely Chosen Employment

Suppliers shall not use or permit forced labour, bonded (including debt bondage) or indentured labour, involuntary prison labour, sex trafficking, slavery or trafficking of persons in any form in any stage of manufacturing. This includes transporting, harbouring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for the purpose of exploitation. All work must be performed on a voluntary basis and all workers (including interns) shall have the rights to leave their job or terminate their employment, which shall not be retaliated in any form by the employer.

1.2 Prohibition of Child Labour

Suppliers shall not use child labour in any stage of manufacturing. The term “child labour” refers to any person under the age of 16 (in the PRC), or under the minimum age for employment in the country/region where suppliers operate, whichever is greatest.

1.3 Protection of Young Workers

Suppliers may employ young workers above the minimum working age while under the age of 18 as per the applicable laws. They shall not perform work that is unethical or likely to jeopardise their health or safety, including night shifts and overtime. Suppliers may implement legitimate and voluntary workplace learning programs (such as internships for students) which comply with all laws and regulations.

1.4 Working Hours

Suppliers shall ensure that workweeks are not to exceed the maximum set by local law. Further, a workweek should not be more than 60 hours (including overtime). Workers shall be allowed at least one day off every seven days. Suppliers shall comply with all applicable laws and regulations with regard to working hours and breaks. All overtime shall be voluntary.

1.5 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. Suppliers shall compensate workers for overtime in compliance with local laws. Suppliers shall provide workers with a payslip or a wage statement to verify compensation for work performed. Deductions from wages as a disciplinary measure shall not be permitted.

1.6 Humane Treatment

Suppliers shall not mete out harsh and inhumane treatment including sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor shall they threaten against workers with any of such treatment. To comply with these requirements, suppliers shall develop disciplinary policies and procedures which shall be clearly communicated to workers.



1.7 Non-Discrimination

Suppliers shall be committed to a workforce free of harassment and unlawful discrimination. Suppliers shall not engage in discrimination based on race, colour, age, gender, sexual orientation, ethnicity or national origin, social class, disability, pregnancy, religion, political affiliation, union membership, or marital status in hiring and employment practices (such as promotions, rewards, and access to training). In addition, suppliers shall not request workers or potential workers to receive medical tests or physical exams that could be used in a discriminatory way.

1.8 Freedom of Association

Open communication and direct dialogue between workers and management is the most effective way to address workplace and compensation issues. In conformance with local law, suppliers shall respect the rights of all workers to associate freely, to bargain collectively, to join (or refrain from joining) trade unions of their own choosing, and to seek representatives, as well as to join worker committees. Suppliers shall allow workers to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of reprisal, intimidation or harassment.

2 . Health and Safety

Suppliers shall recognise that in addition to minimising 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. Suppliers shall also recognise that ongoing worker input and education is essential to identifying and solving health and safety issues in the workplace.

2.1 Health and Safety Management Systems

Suppliers shall establish a health and safety management system or obtain the equivalent certifications. Meanwhile, effective implementation of such systems shall be guaranteed.

2.2 Occupational Health and Safety Management

Suppliers shall control worker exposure to potential safety hazards (e.g. electrical and other energy sources, fire, vehicles, extreme temperatures, noise levels and fall hazards) through proper design, engineering and administrative controls, preventative maintenance and safe work procedures, and ongoing safety training. Suppliers shall provide workers with appropriate, well-maintained personal protective equipment. Suppliers shall impose no punishment on workers raising safety concerns. Suppliers must also take reasonable steps to remove pregnant women/nursing mothers from working condition with high hazards; remove or reduce any workplace health and safety risks for pregnant women and nursing mothers. In addition, suppliers shall provide reasonable accommodations for nursing mothers.

2.3 Emergency Preparedness

Suppliers shall not only identify potential emergency situations and events and draft up solutions, but also minimise the impact of such situations and events by implementing emergency plans and response procedures (including emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans).



2.4 Occupational Injury and Illness

Suppliers shall develop procedures and systems to prevent, manage, track and report occupational injury and illness. They may include provisions to: encourage worker reporting; classify and record injury and illness cases; provide necessary medical treatment; investigate cases and implement corrective actions to eliminate causes; and facilitate return of workers to work.

2.5 Industrial Hygiene

Suppliers shall identify, evaluate, monitor and control the impact of worker exposure to chemical, biological and physical agents. Suppliers shall use engineering or administrative measures to control overexposures. Suppliers shall protect worker health through formulating appropriate personal protective equipment programs.

2.6 Ergonomics

Suppliers shall identify, evaluate, monitor and control 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.

2.7 Machine Safeguarding

Suppliers shall evaluate the safety hazards of production equipment and other machinery. Suppliers shall provide and properly maintain physical guards, interlocks and barriers to protect workers from potential injury hazards posed by machinery.

2.8 Living Conditions

Suppliers shall provide workers with ready access to clean toilet facilities, potable water, sanitary ingredients, food storage, and eating facilities. Suppliers shall ensure that the worker dormitories provided are in appropriate conditions and maintained to be safe, comfortable, and clean with adequate ventilation, sufficient personal space along with lockers, etc.

3 . Environmental Protection

Xiaomi recognises that environmental responsibility is integral to producing world class products. In manufacturing operations, suppliers shall minimise adverse effects on the community, environment and natural resources while safeguard the health and safety of the general public.

3.1 Environmental Management Systems

Suppliers shall establish an environmental management system (EMS) based on ISO 14001 standards or the equivalent. Meanwhile, effective implementation of such systems shall be guaranteed to achieve the expected results.

3.2 Environmental Permits and Reporting

Suppliers shall maintain and keep current all the required environmental permits, discharge monitoring, approvals and registrations; the operational and reporting requirements stipulated in such documents are to be followed.



3.3 Chemicals

Suppliers shall identify and manage chemicals and other materials posing a hazard to human health and safety or the environment, so as to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.

3.4 Waste Disposal

Prior to discharge or disposal of wastewater and solid waste generated from operations, industrial processes and sanitation facilities, suppliers shall identify, monitor, control and treat them as required.

3.5 Water Management

Suppliers shall develop and implement a water management programme that documents, identifies, and monitors water resources, use and discharge. In addition, suppliers shall comply with relevant wastewater treatment and discharge laws and regulations, and obtain necessary permits and test reports.

3.6 Air Emissions

Prior to discharge of air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations, suppliers shall identify, monitor, control and treat them as required.

3.7 Noise

Suppliers shall identify, monitor, control, and reduce noise generated by the manufacturing facility that affects boundary noise levels.

3.8 Resource Efficiency

Suppliers shall strive to reduce consumption of resources (including raw materials, energy and water) throughout the entire product life cycle (e.g. product design, manufacturing processes, packaging design, transportation, product use and disposal), and shall increase the proportion of alternative energy to reduce greenhouse gas emissions and achieve a low carbon economy.

4 . Business Ethics

Xiaomi expects all suppliers to make every effort to uphold the highest standards of ethics. During business operations, the conducts of suppliers in procurement and any other operational activities shall always adhere to the moral principles, which includes but not limited to the following:

4.1 Honesty and Integrity

Suppliers shall uphold the highest standards of integrity in all business interactions. Suppliers shall not engage in corruption, extortion, embezzlement or bribery for the purpose of obtaining unfair or improper benefits. Suppliers must comply with all applicable anti-corruption laws and regulations in their countries of operation.

4.2 Disclosure of Information

Suppliers shall accurately record information regarding their business activities, labour, health and safety, and environmental practices. Falsification or misrepresentation of records are unacceptable.



4.3 Fair Trading and Competition

Suppliers shall comply with all applicable laws relating to fair trading and competition (including fair trading and anti-trust laws).

4.4 Privacy

Suppliers shall protect the personal information and privacy of everyone they do business with (including suppliers, customers, consumers, and employees) and the information of others obtained in business dealings. Suppliers shall comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

4.5 Protection of Whistleblowers

Suppliers shall have a communication process for their personnel to be able to share any ideas or raise any concerns without fear of retaliation. In addition, suppliers shall formulate programmes that ensure the protection of supplier and employee whistleblowers.

4.6 Responsible Sourcing of Minerals

Suppliers shall have a policy and management system to reasonably assure that the metallic minerals including but not limited to gold, tantalum, tungsten, cobalt and tin procured and utilised by them or their suppliers do not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country.

5. Management Systems

Suppliers shall establish a management system whose scope covers but is not limited to the content of this Code. Xiaomi believes that a sound management system and full commitment are the key to promoting the social and environmental performances of suppliers. The management system shall be designed to ensure: (A) compliance with applicable laws, regulations and customer requirements related to the suppliers' operations and products; (B) conformance with this Code; and (C) identification and mitigation of operational risks related to this Code. It should also encourage and facilitate continuous improvement of suppliers. The management system should contain the following elements:

5.1 Company Commitment

Suppliers shall develop and release a social and environmental responsibility policy to affirm their commitment to comply with relevant laws and regulations.

5.2 Management Accountability and Responsibility

Suppliers shall clearly identify company representative[s] responsible for ensuring implementation of the management systems and associated programmes. Senior management shall review the status of the management system on a regular basis.

5.3 Legal and Customer Requirements

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



5.4 Risk Assessment and Risk Management

Suppliers shall develop a process to identify the environmental, health, safety, labour practice and ethics risks associated with suppliers' operations. Suppliers shall be able to determine relative significance for each risk and implement appropriate procedural and physical measures to control the identified risks and ensure regulatory compliance.

5.5 Improvement Objectives

Suppliers shall have written performance objectives, targets and implementation plans to improve the suppliers' social and environmental performance, including a periodic assessment of suppliers' performance in achieving those objectives.

5.6 Training

Suppliers shall develop training programmes for managers and workers to implement suppliers' policies, procedures, and improvement objectives and to meet applicable requirements.

5.7 Communication

Suppliers shall develop a process to communicate clear and accurate information on suppliers' policies, practices, expectations, and performance to workers, suppliers, and customers.

5.8 Worker Feedback and Participation

Suppliers shall develop a process to assess employees' understanding of and obtain feedback on practices and conditions covered by this Code and to foster continuous improvement.

5.9 Audits and Assessments

Suppliers shall conduct periodic self-assessments to ensure conformity to legal and regulatory requirements, the content of the Code and customer contractual requirements related to social and environmental responsibility.

5.10 Corrective Action Process

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

5.11 Documentation and Records

Suppliers shall create and maintain documents and records to ensure regulatory compliance and conformity with company requirements along with appropriate confidentiality to protect privacy.

5.12 Upstream Supplier Management

Suppliers shall develop a process to communicate the Code requirements to upstream suppliers and to monitor suppliers' compliance with the Code.



6. Continuous Evaluation, Monitoring and Improvement

If required by Xiaomi, suppliers shall provide additional information to demonstrate their compliance with this Code. Such requirements may include relevant information on social and environmental practices, social and environmental self-assessments, details on the content of hazardous substances in products, environmental indicators (e.g. greenhouse gas emissions, water use, water quality data), social indicators (e.g. man-hour data, compensation information, work injury rates), management system certifications, etc. Monitoring and continuous resolution of the issues identified are the key to advancing social and environmental responsibilities. Therefore, suppliers should review and assess their own plants and their suppliers' social responsibility management systems on a regular basis to ensure compliance with requirements of the laws and this Code.