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1 Introduction

The Micro Crystal (MC) **Management, Environmental & Social responsibility principles of Conduct (MES)** outline standards to ensure that working conditions in MC facilities, and our Supply Chain partners activities supporting MC's requirements, are safe, that workers are treated with respect and dignity, and that manufacturing processes utilized by MC and its partners are environmentally responsible.

For the purposes of the Principles, the following are considered as part of the MC Supply Chain, namely, Electronic Manufacturing Services (EMS) firms and Original Design Manufacturers (ODMs) including contracted Labour that may design, market, manufacture and/or provide goods and services that are used to produce MC electronic goods. The Principles will be actively promoted to critical suppliers in the MC Supply Chain and subsequently applied by that supplier to its supply chain and subcontractors.

To adopt the Principles and become a participant (Participant), a business shall declare its support for the Principles and shall conform to the Principles and its standards in accordance with a management system as set forth in the Principles. Further, a Participant shall hold its practices open to scrutiny to an initial MC MES audit and subsequent MES surveillance audits. For the Principles to be successful, it is acknowledged that Participants should regard them as a total supply chain initiative. At a minimum, participants shall encourage their next tier suppliers to acknowledge and implement the Principles.

Fundamental to adopting the Principles 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. The Principles encourage Participants to consider going beyond legal compliance, drawing upon internationally recognized standards, to advance social and environmental responsibility.

The Principles consist of five sections 2-6. Sections 2, 3, & 4 outline standards for Labour, Health & Safety, and the Environment, respectively Section 5 outlines the elements of a system to manage conformity to the Principles. Section 6 adds standards relating to Business Ethics.

The RBA Code of Conduct (version 7.0) is a set of social, environmental, and ethical industry standards. The standards set out in the Code of Conduct reference international norms and standards including the Universal Declaration of Human Rights, ILO International Labor Standards, OECD Guidelines for Multinational Enterprises, ISO and SA standards, and many more.

<http://www.responsiblebusiness.org>

www.responsiblebusiness.org/media/docs/RBACodeofConduct8.0_English.pdf
www.responsiblebusiness.org/media/docs/RBACodeofConduct8.0_German.pdf



2 Labour

Participants commit to respect the human rights of workers, and to treat them with dignity. This applies to direct and indirect suppliers, as well as all workers including temporary, migrant, student, contract, direct employees, and any other type of worker.

The labor standards are as follows:

2.1 Prohibition of Forced Labor

Forced labor in any form, including but not limited to, 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, or in a language the worker can understand, 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 shall be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given, which shall be clearly stated in workers' contracts. Participants shall maintain documentation on all leaving workers. 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. Notwithstanding the foregoing, employers can only hold documentation if necessary to comply with the local law. In this case, at no time shall 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.

2.2 Young Workers

Child labor shall not 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. 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 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. 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 shall be provided.

2.3 Working Hours

Working hours shall not exceed the maximum set by local law. Further, a workweek shall not be more than 60 hours per week, including overtime, except in emergency or unusual situations. All overtime shall be voluntary. Workers shall be allowed at least one day off every seven days.



2.4 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. All workers shall receive equal pay for equal work and qualification. 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 shall be within the limits of the local law.

2.5 Non-Discrimination/Non-Harassment/Humane Treatment

Participants shall commit to a workplace free of harassment and unlawful discrimination. There shall 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. Companies shall not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity or 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. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers. Workers shall be provided with reasonable accommodation for religious practices and disability. 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).

2.6 Freedom of Association and Collective Bargaining

Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. 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. In alignment with these principles, 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. Where the right of freedom of association and collective bargaining is restricted by applicable laws and regulations, workers shall be allowed to elect and join alternate lawful forms of worker representations.

3 Health and Safety

Participants recognize that in addition to minimizing the incidence of work-related injuries and illnesses, a safe and healthy working 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.

The health and safety standards are as follows:



3.1 Occupational Health and Safety

Worker potential for exposure to health and safety hazards (chemical, electrical and other energy sources, fire, vehicles, and fall hazards, etc.) shall be identified and assessed, mitigated using the Hierarchy of Controls. Where hazards cannot be adequately controlled by these means, workers shall be provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks to them associated with these hazards. Gender-responsive measures shall be taken, such as not having pregnant women and nursing mothers in working conditions, which could be hazardous to them or their child and to provide reasonable accommodations for nursing mothers.

3.2 Emergency Preparedness

Potential emergency situations and events shall 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 shall be executed at least annually or as required by local law, whichever is more stringent. Emergency plans shall 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.

3.3 Occupational Injury and Illness

Procedures and systems shall be in place to prevent, manage, track and report occupational injuries and illnesses, 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. Participants shall allow workers to remove themselves from imminent harm, and not return until the situation is mitigated, without fear of retaliation.

3.4 Industrial Hygiene

Worker exposure to chemical, biological, and physical agents shall be identified, evaluated, and controlled according to the Hierarchy of Controls. When hazards cannot be adequately controlled, workers shall be provided with and use appropriate, well-maintained, personal protective equipment free of charge. Participants shall provide workers with safe and healthy working environments, which shall be maintained through ongoing, systematic monitoring of workers' health and working environments. Participants shall provide occupational health monitoring to 4 Responsible Business Alliance Code of Conduct v8.0 routinely evaluate if workers' health is being harmed from occupational exposures. Protective occupational health programs shall be ongoing and include educational materials about the risks associated with exposure to workplace hazards.

3.5 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 shall be identified, evaluated, and controlled.

3.6 Machine Safeguarding

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



3.7 Sanitation, Food, and Housing

Workers shall 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 shall be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting, and adequate conditioned ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

3.8 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 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. Health information and training shall include content on specific risks to relevant demographics, such as gender and age, if applicable. Training shall be 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.

4 Environment

Across all business functions, 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, while safeguarding the health and safety of the public.

The environmental standards are as follows:

4.1 Environmental Permits and Reporting

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

4.2 Pollution Prevention and Resource Conservation

Emissions and discharges of pollutants and generation of waste shall 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, shall be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling, or other means.

4.3 Hazardous Substances

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



4.4 Solid Waste

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

4.5 Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion byproducts generated from operations shall be characterized, routinely monitored, controlled, and treated as required prior to discharge. Ozone- depleting substances shall 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.

4.6 Materials Restrictions

Participants shall 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.

4.7 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 shall 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.

4.8 Energy Consumption and Greenhouse Gas Emissions

Participants shall establish and report against an absolute corporate-wide greenhouse gas reduction goal. Energy consumption and all Scopes 1, 2, and significant categories of Scope 3 greenhouse gas emissions shall be tracked, documented, and publicly reported. Participants shall look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

5 Ethics

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

5.1 Business Integrity

The highest standards of integrity shall 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.

5.2 No Improper Advantage

Bribes or other means of obtaining undue or improper advantage shall not 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 anticorruption laws.



5.3 Disclosure of Information

All business dealings shall 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 shall 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.

5.4 Intellectual Property

Intellectual property rights shall 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 shall be safeguarded.

5.5 Fair Business, Advertising and Competition

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

5.6 Protection of Identity

Programs that ensure the confidentiality, anonymity, and protection of supplier and employee whistleblowers² shall be maintained, unless prohibited by law. Participants shall have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

¹ 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.

5.7 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, gold, and cobalt 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.

5.8 Privacy

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

6 Management Systems

Micro Crystal has established a management system with a scope that is related to the content of this Code. The management system is 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. The management system also facilitate continual improvement.

The management system shall contain the following elements:

6.1 Company Commitment

Participants shall establish human rights, health and safety, environmental and ethics policy statements affirming Participant's commitment to due diligence and continual improvement, endorsed by executive management. Policy statements shall be made public and communicated to workers in a language they understand via accessible channels.



6.2 Management Accountability and Responsibility

Participants shall clearly identify 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.

6.3 Legal and Customer Requirements

Participants shall adopt or establish a process to identify, monitor and understand applicable laws, regulations, and customer requirements, including the requirements of this Code

6.4 Risk Assessment and Risk Management

Participants shall adopt or establish a process to identify the legal compliance, environmental, health and safety³, labor practice and ethics risks, including the risks of severe human rights and environmental impacts, associated with Participant's operations. Participants shall determine the relative significance for each risk and implement appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

² 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.

6.5 Improvement Objectives

Participants shall establish 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.

6.6 Training

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

6.7 Communication

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

6.8 Worker Feedback, Participation and Grievance

Participants shall establish processes for ongoing two-way communication with workers, their representatives, and other stakeholders where relevant or necessary. The process shall aim to obtain feedback on operational practices and conditions covered by this Code, and to foster continuous improvement. Workers shall be given a safe environment to provide grievance and feedback without fear of reprisal or retaliation.

6.9 Audits and Assessments

Participants shall conduct 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.

6.10 Corrective Action Process

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

6.11 Documentation and Records

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

6.12 Supplier Responsibility

Participants shall establish a process to communicate Code requirements to suppliers and to monitor supplier compliance to the Code.

7 Reference documents / Yearly control

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

<http://www.responsiblebusiness.org>

Source Website Link	Source Website Link
ISO 9001 Quality Management and ISO 14001 Environmental Management System	http://www.iso.org/
SA 8000 Social Accountability System → From 03.2018: ISO 45001 (VA-3001)	http://www.sa-intl.org/ http://www.iso.org/
OHSAS 18001 → From 03.18: ISO 45001 (VA-3700 Pt. 15)	http://www.iqnet-certification.com/ http://www.iso.org/
Electronic Industry Code of Conduct (EICC) → New: Responsible Business Alliance CFS Program: Compliant Gold Refiner List	http://www.eicc.info/ http://www.responsiblebusiness.org/ http://www.responsiblemineralsinitiative.org/
ILO Code of Practice in Safety and Health	http://www.ilo.org/safework/lang--en/index.htm
ILO International Labour Standards	http://www.ilo.org/public/english/standards/norm/index.htm
OECD Guidelines for Multinational Enterprises	http://www.oecd.org/
United Nations Convention Against Corruption (UNODC)	http://www.unodc.org/unodc/en/corruption/index.html
United Nations Global Compact	http://www.unglobalcompact.org/
Universal Declaration of Human Rights	www.un.org/en/about-us/universal-declaration-of-human-rights

Updates without new revisions.

FO-1115	Ethics principle
VA-3704	Corona Covid-19
ISO 37000	Good Governance (SNV News per 17.9.21) Governance of Organization

Yearly control by CEO (HR. Gottier / S. Dalla Piazza) and QM (F. Burkhalter)

2014	2015	2016	2017	2018	2019	2020
2.3.2014 HRG / FB	2.3.2015 HRG / FB	7.3.2016 HRG / FB	20.3.2017 HRG / FB	26.3.2018 HRG / FB	2.4.19 HRG / FB	15.5.20 HRG / FB
2021	2022	2023	2024	2025	2026	2027
29.4.21 FB	9.8.22 FB	24.4.23 SDP/FB	5.4.24 FB			

See internal document [FO-3608-e](#) / [FO-3608-d](#)