



**Guiding the Way Forward — Xiaomi Corporation Code of Conduct for  
Business Partners**



Dear business partners of Xiaomi,

As the youngest Fortune Global 500 company, Xiaomi adheres to our core values of Sincerity & Passion and the corporate social responsibility vision of "letting everyone in the world enjoy a better life through innovative technology" at all times. Consequently, when working with customers, business partners, government departments, and public organisations, no matter when or where, we have a "zero tolerance" towards bribery and corruption in any form, and adhere to the principles of legal observance, compliance, integrity, transparency, and good faith.

Not only do we proactively improve our own compliance and abide by laws and high standards of ethical codes in business operations, but we also hope that Xiaomi's distributors, dealers, suppliers, agents, and other upstream and downstream partners (hereinafter referred to as "Business Partners") can work with us to create a business environment with integrity, legal observance, compliance, health, fairness, and honesty and, in the course of cooperation with Xiaomi, always adhere to the following:

- Strictly comply with the anti-bribery and anti-corruption laws and regulations applicable in the countries in which the business operates
- Be honest and follow high standards of business codes of conduct at all times
- Protect labour rights and interests, look out for workers' health and safety, and combat discrimination
- Adhere to all Anti-Trust regulations and avoid any unfair competitive practices
- Respect and protect the intellectual property rights of Xiaomi and third parties
- Comply with trade compliance and data privacy laws and regulations
- Respect local customs and business practices

In order to achieve the aforesaid objectives, Business Partners of Xiaomi should carefully read this Code of Conduct to understand and better comply with Xiaomi's guiding principles and practice orientation in relation to compliance and business ethics.

Signature:



## **1. Scope of application**

This Code of Conduct applies to all Business Partners of Xiaomi, including Xiaomi's distributors, dealers, suppliers, agents and other upstream and downstream partners (hereinafter referred to as "Business Partners").

In respect of the content of the Code of Conduct, Xiaomi does not exclude the possibility of making specific regulations and issuing corresponding norms for certain matters as required.



## **2. Interpretation and revision**

Xiaomi is entitled to modify, revise or adjust certain content of this Code of Conduct in accordance with changes in circumstances. To the extent permitted by law, Xiaomi reserves the right of final interpretation of the Code of Conduct.



### **3. Integrity**

Xiaomi's Business Partners shall adhere to high standards of conduct with integrity in their business activities. Business Partners shall not conduct business by fraud, falsification or other dishonest methods for the purpose of obtaining unfair or illegitimate benefits, nor shall they harm the legitimate rights and interests of other companies or individuals through any unlawful means, such as unlawfully misappropriating the assets of others, or colluding or assisting other companies' internal employees, other organisations or individuals.



## 4. Prohibition of commercial bribery

### 4.1 General principles

Xiaomi prohibits any Business Partners from, directly or indirectly<sup>1</sup>, offering, promising, giving, or authorising money or any other valuables<sup>2</sup> to any company or individual, including Xiaomi and its employees, in the course of business activities, improperly influencing the recipient's fulfilment of duties or decisions, in order to obtain or maintain improper interests<sup>3</sup> in business or commercial conduct.

The aforesaid conduct, even if not resulting in any actual improper interests, shall be deemed by Xiaomi as commercial bribery and shall be strictly prohibited. The management of Business Partners shall not approve, disguise, cooperate with or acquiesce in commercial bribery.

### 4.2 Gifts and entertainment

Business Partners shall avoid offering gifts or entertainment in the course of business activities. Where it is necessary to offer gifts or entertainment, Business Partners shall ensure that:

- The offering of gifts and entertainment is not for any improper purpose or intent
- Relevant conduct complies with laws, regulations and business practices of the locality
- The gifts and entertainment provided are of appropriate value and which reflect the applicable laws and guidelines.
- The frequency of offering is appropriate<sup>4</sup>
- The activity does not occur during a sensitive business period<sup>5</sup>

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<sup>1</sup> "Directly or indirectly" means that apart from offering bribes directly to the recipient of the bribe, any act of bribery through a dealer, agent, contractor, intermediary or other third party is strictly prohibited.

<sup>2</sup> The term "valuables" carries a broad definition. Not only does it include money, but also refers to travel, entertainment, gifts, services, sponsorships, job opportunities, medical resources, academic opportunities, repayment of debt, low- or zero-interest loans, and other tangible or intangible benefits. Payments or benefits of even small amounts that are intended for, or constitute, bribery are prohibited.

<sup>3</sup> "Improper interests" refer to any commercial or financial interests, which may be a monetary benefit, a business opportunity or a competitive advantage. For example, the obtaining of new sales orders or business opportunities, resolving commercial disputes, and obtaining trade secrets etc., shall be considered improper interests.

<sup>4</sup> Appropriate frequency refers to the frequency generally accepted during the course of normal business dealings. For example, the frequency of offering meals to the same recipient every day in a month or taking gifts offered by the same person every month in a year is usually deemed unreasonable.

<sup>5</sup> Refers to any acceptance or offering of gifts, entertainment or travel funds during such a period which may be reasonably believed by an independent third party to influence a certain decision of the recipient. Examples are: i) when applying for a certificate or licence; ii) when bidding for a project; iii) during the period of contract execution or renewal; iv) key delivery or payment timing; v) during major disputes, litigation or administrative penalties, etc.



In addition, Xiaomi also prohibits Business Partners from offering the following types of gifts or entertainment to any company or individual in the course of business activities:

**Prohibited gifts (including but not limited to):**

- Cash and cash equivalents, including but not limited to gold bars, marketable securities, savings insurance, fund units, lottery tickets, various kinds of business gift cards,<sup>6</sup> etc.;
- Gifts of significantly higher value than those required for regular business dealings, including but not limited to immovable property, automobiles, jewellery, luxury clothing and handbags, etc.;
- Gifts that may be considered immoral or contrary to universal values, even if the purchase of such gifts is locally considered to be legitimate, including, but not limited to ivory products, red coral products, rhino horn products, books or video or audio products containing adult content, etc.;
- Gifts that may harm the health of the recipient, including but not limited to drugs, substances similar to drugs,<sup>7</sup> etc.;
- Gifts outside the scope of normal business dealings, including but not limited to firearms, prescription drugs, fitness cards, membership cards for high-end clubs, etc.

**Prohibited entertainment (including but not limited to):**

- Entertainment that may be considered immoral or contrary to universal values, even if such entertainment is considered to be legitimate locally, including but not limited to adult entertainment, gambling, and eating protected animals, etc.;
- Excessively high-value or lavish entertainment items, including but not limited to high-end or private club spending, domestic and foreign tourism, luxury cruises, etc.;
- High-risk entertainment that may endanger the recipient's personal safety, including but not limited to sports and extreme sports for which protection measures are inadequate, etc.;
- Private entertainment or recreational activities, including but not limited to family gatherings, class reunions, etc.;
- Directly or indirectly accepting or offering cash or cash equivalents as entertainment

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<sup>6</sup> Business gift cards include but are not limited to stored-value cards, vouchers, shopping cards, spending coupons, and other gift cards and vouchers that have an actual face value and that are tradable or freely used in the market. Seasonal vouchers for material objects, such as mooncake vouchers for the Mid-Autumn Festival and rice dumpling vouchers for the Dragon Boat Festival are, however, excluded.

<sup>7</sup> Substances similar to drugs include but are not limited to marijuana, hallucinogenic mushrooms, and laughing gas, etc., that are legal and permitted for sale in certain countries.



expenses, including but not limited to accepting cash for internal activity expenses of the company, paying for internal activities of the other company, etc.

### 4.3 Travel funds

Only travel funds that are provided to the employees of Business Partners on the basis of effective contracts or written agreements, such as confirmation emails or correspondence, with other companies or individuals are permitted by Xiaomi.

Travel expenses borne by Business Partners shall only include transportation expenses, accommodation expenses or other miscellaneous travel expenses directly related to business activities, such as visa fees, and baggage charges, etc. Other types of expenses such as food and beverage expenses, entertainment expenses, sightseeing expenses, personal activity expenses, and gift expenses, etc., should not be included in travel expenses

In addition, Business Partners shall ensure that the itinerary of relevant business travel is short, reasonable, necessary and, in principle, must be the most economical option.

Xiaomi **prohibits** Business Partners from providing the following types of travel funds to any company or individual:

- Travel without reasonable business purposes, including but not limited to private tourism, non-business-related travel, and travel with tourism items included in the itinerary, etc.;
- Travel activities of persons unrelated to the business activities, which include but are not limited to spouses, children, partners and other family members of the recipient or other accompanying persons unrelated to the business activities;
- Travel funds to individuals in the form of cash or cash equivalents, including cash advances, no matter whether the cash or cash equivalents are used to pay for travel expenses, or are to reimburse travel expenses already paid, or are to be returned in the future;
- Travel activities that are inappropriate, illegal, not in line with business practices or that may be considered to be bribery or corruption, including but not limited to travelling by private plane, offering business or first class cabin treatment to low and medium-level personnel, and excessively lavish accommodations, etc. Such activities also include inappropriate changes in the course of travel, such as cabin upgrades and hotel room upgrades, etc.





#### **4.4 Offering personal benefits**

Without proper justification, Xiaomi's Business Partners shall not offer any form of personal benefits to any company or individual in the course of business activities, including but not limited to:

- Offering free services such as decoration services, personal chauffeur services, etc.;
- Offering medical resources, such as registrations for expert diagnosis, beds in key hospitals etc., and bearing the cost of diagnosis and treatment;
- Through special relationships, assisting the other party in accessing scarce resources, for example, educational resources (such as opportunities to attend key schools), household registration, house purchase qualification, and other resources with restrictions;
- Providing low or zero-interest loans other than normal financial lending;
- Providing personal debt relief without reasonable justification;
- Meeting other improper requests made by employees of any related parties in any way;



## 5. Prohibition of conflicts of interest

Without Xiaomi's permission, Business Partners shall not create conflicts of interest in their business activities with Xiaomi, including but not limited to:

- Except for normal lending with financial institutions, no lending activity between Business Partners and employees of Xiaomi is permitted, that is, neither party may provide loans to the other party or assist the other party in obtaining loans, such as by providing loan guarantees, etc.;
- Shareholders, directors, supervisors, senior executives, managers, persons in charge of business cooperation with Xiaomi and business team members of Business Partners may not be Xiaomi employees or their related parties;
- In the course of cooperation between the two parties, Business Partners shall not permit Xiaomi employees or their related parties to hold equity in the Business Partner or through a third party;

Exceptions are as follows: 1) The total interests held by Xiaomi employees through securities trading in the open market are less than 1% of the total outstanding equity shares issued by the Business Partner. 2) Xiaomi employees indirectly hold the outstanding equity shares issued by the Business Partner through mutual funds, public trusts and other financial institutions, and do not have any influence on the investment decisions of the aforesaid financial institutions;

- Business Partners shall not instigate or induce in any way Xiaomi employees to resign or to violate their duties, including but not limited to using any means to require Xiaomi employees to provide confidential information or to engage Xiaomi employees in businesses that compete with Xiaomi.

At the time Xiaomi's Business Partners know or should know of the aforesaid conflicts of interest, they shall promptly disclose such to Xiaomi, and Xiaomi shall assess and decide upon the conflict of interest matters.



## 6. Protection of trade secrets

Trade secrets refer to technical information, business information and other commercial information that is unknown to the public, which can bring economic benefits to the rights holder, is of practical use, and is subject to appropriate confidentiality measures taken by Xiaomi. Xiaomi's Business Partners shall take reasonable, effective and necessary precautions to protect the trade secrets of Xiaomi which they obtain from infringement.

Business Partners shall not disclose, divulge or provide Xiaomi's trade secrets to other organisations or individuals without the authorisation of Xiaomi. In addition, Business Partners shall manage and restrict their internal employees who know Xiaomi's trade secrets, and require them to comply with the code of conduct for trade secrets protection, including but not limited to:

- Not sharing Xiaomi's trade secrets with friends, family members or any other unauthorised persons;
- Never discussing Xiaomi's trade secrets in public places, such as aeroplanes, lifts, restaurants or other places where others may hear the trade secrets;
- Not leaving trade secrets unattended in places where they may be obtained by others, for example, placing paper documents containing Xiaomi's trade secrets on a desk when leaving or failing to lock the screen of a computer containing Xiaomi's trade secrets, etc.;
- Not storing documents containing Xiaomi's trade secrets on electronic devices, such as personal computers or storage devices, or cloud servers, such as personal network drives, that are not owned or designated by the company;
- Not transmitting Xiaomi's trade secrets through methods that are not permitted by Xiaomi, for example, via We Chat, QQ, and personal email, etc.;
- Regardless of the medium in which Xiaomi's trade secrets are stored, for example, as printed materials, electronic files, email, verbal conversations, audio and video recordings etc., Business Partners shall be proactive in protecting the trade secrets.

Business Partners who discover any act or sign of infringement of Xiaomi's trade secrets shall promptly inform Xiaomi so that the Business Partner and Xiaomi are able to take prompt action to protect the security of the trade secrets.



## **7. Workers' rights and interests, health, safety and anti-discrimination**

### **7.1 General principles**

Xiaomi requires Business Partners to respect the rights and interests of workers, their personal health and safety, and to treat every employee according to the principle of non-discrimination.

### **7.2 Protection of workers' rights and interests**

Business Partners shall abide by the norms generally accepted by the international community and labour laws of the jurisdiction to respect and safeguard the basic rights and interests, and dignity, of workers. Business Partners shall adhere to the following:

- To not benefit from any forced or compulsory labour.
- To not employ people under the age of 16 (or older subject to local laws) for any work unless expressly permitted by applicable laws.
- To comply with applicable laws and regulations regarding working hours, wages, and benefits.
- To not treat employees in a harsh and inhuman manner.
- In accordance with the requirements of applicable laws, to respect the rights of employees to associate freely, negotiate collectively, and organise and join trade unions.

### **7.3 Health and safety**

Business Partners shall provide healthy and safe working conditions, and comply with health and safety laws and regulations of the locality as well as directives of local governments. Business Partners shall establish the necessary systems and take measures to prevent safety incidents, injuries or any other work-related illnesses.

### **7.4 Prohibition of discrimination for any reason**

Business Partners shall not discriminate against any person due to any reasons or factors, including but not limited to ethnicity, race, skin colour, gender, sexual orientation, national origin, religion, political affiliation, age, disability, marital status, family background, genetic information or any other personal characteristics protected by law.



## **8. Product quality**

Business Partners shall understand and abide by the relevant laws, regulations, and standard processes related to product quality and safety. When promoting and selling Xiaomi products and related services, Business Partners shall ensure that the product specifications and conditions comply with the requirements of laws, regulations, and technical standards with respect to product quality and safety in the locality in question, and ensure product compliance and the health and safety of users.



## **9. Anti-Trust and fair competition**

Business Partners shall comply with applicable anti-trust laws and other laws and regulations on competition. Business Partners shall not engage in any conduct that may illegally prevent, restrict or distort fair competition, including but not limited to entering into agreements, decisions or other concerted practices with other parties that exclude or restrict competition, abuse of dominant market position, concentration of undertakings without statutory procedures that have or may have the effect of excluding or restricting competition, false advertising, and illegitimately defaming competitors or their products.



## **10. Privacy and data security**

Business Partners shall understand and abide by applicable laws and regulations regarding privacy and data security, and shall take any appropriate organisational and technical measures to prevent the unauthorised use or disclosure of personal data and/or other confidential information of other persons. Business Partners shall only access, collect, use, share, transmit or store the personal information of others when such acts are specially authorised and are necessary for legitimate business purposes. Business Partners shall adhere to the principle of transparency and clearly inform users of the reasons for their collection and the use of data prior to collecting personal information of others. Business Partners shall implement appropriate safeguards to ensure that personal information, its completeness and security are protected in accordance with applicable data privacy laws.



## **11. Intellectual property**

Business Partners shall respect the intellectual property rights of Xiaomi and third parties, and shall not infringe or improperly use such intellectual property rights, including but not limited to copyrights, patents, trademarks, and trade secrets.





## 12. Trade compliance

Xiaomi Corporation strictly complies with, and enforces, all applicable international trade laws and regulations as well as China's commitment to the United Nations (hereinafter referred to as the "Applicable Laws"), and effectively fulfils its duties and obligations related to trade compliance. In order to comply with trade compliance requirements, Business Partners shall undertake and warrant that:

- Business Partners shall comply with all applicable international trade laws and regulations and all Applicable Laws relating to import, sale, export, re-export, assignment, re-assignment, lease or financing of any jurisdiction.
- Regarding any technology, technical data, software code or other information, hardware, equipment or the components thereof (hereinafter referred to as the "Items") provided by Business Partners to Xiaomi, the disclosure of Items or the provision of Items to Xiaomi shall not violate any Applicable Laws. Business Partners shall neither disclose nor provide Xiaomi Items to any embargoed countries/embargoed areas under any Applicable Laws and/or to any entities whose receipt of Xiaomi Items is prohibited or restricted by any Applicable Laws, and shall not use Xiaomi Items for any purposes prohibited by the Applicable Laws.
- Where export permits or other government authorisations are required by the Applicable Laws, Business Partners shall not export, re-export, assign, or re-assign any Xiaomi Items before obtaining the required permits and government authorisations.



### **13. Environmental protection**

Business Partners shall minimise adverse impacts on communities, the environment, and natural resources in the production and operation process, and shall comply with applicable international environmental treaties and environmental laws of the locality, including but not limited to:

- Environmental licensing and reporting. Business Partners shall obtain and update statutory environmental permits, emissions monitoring, approval, and registration documents in a timely manner and comply with operational and reporting requirements under environmental laws.
- Management of chemicals. Business Partners shall identify and effectively manage chemicals and other materials that cause harm to human health, personal safety or the environment at all stages of production.
- Pollution prevention and control. Business Partners shall comply with laws and regulations relating to contaminants, including solid waste, waste water, exhaust gas, noise etc., and proactively seek ways to reduce or eliminate the generation of pollutants. Business Partners shall not use or release toxic or hazardous substances prohibited by laws and regulations.
- Energy saving and emissions reduction. Business Partners shall, based on their own operation conditions, reduce the use of water, electricity and other natural resources and the emission of greenhouse gases as much as possible.
- Saving resources. Business Partners shall identify and adopt resource saving methods based on their own operations and resources (such as raw materials, energy, and water) consumption conditions, and make efforts to recycle waste and promote the circular economy.



## 14. Reporting misconduct

We encourage Business Partners to fight against any corruption or misconduct. Business Partners may report and provide evidence through Xiaomi's official reporting channels in the event of encountering any of the following circumstances during the course of business activities with Xiaomi:

- Business Partners being treated unfairly in the course of cooperation with Xiaomi.
- Xiaomi employees requiring, instigating or coercing Business Partners to violate any one or more provisions of this Code of Conduct (for example, Xiaomi employees soliciting bribes from Business Partners).
- Business Partners discovering that other companies or organisations working with Xiaomi are in violation of the relevant provisions of this Code of Conduct.
- Business Partners identifying other fraud, corruption, misconduct or dishonest conduct related to Xiaomi's business.

Xiaomi will take misconduct reported by Business Partners seriously and conduct investigations, deal with verified issues seriously, and provide the results to Business Partners who report the misconduct.

Xiaomi's official reporting channels are as follows:

- Reporting email address: [tousu@xiaomi.com](mailto:tousu@xiaomi.com)
- Online reporting platform: <https://integrity.mi.com/>