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# US Digital Media, Inc

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## CORPORATE SOCIAL RESPONSIBILITY

INNOVATING PORTABLE TECHNOLOGY

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*2017-2018*

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# WHAT CSR MEANS TO US...



Enabling human potential is the ultimate benefit of technology and the driving force behind everything we do at US Digital Media. We believe that with access to the right tools and skills, people, organizations, and communities can reach their full potential

and achieve just about anything. Our vision drives the way we approach and engage our communities, our people, and our planet. We have achieved commercial success in ways that respect all people and our natural environment. US Digital Media is committed to doing business ethically, with integrity, and in accordance with the law, as well as our own stringent Code of Conduct; domestically and throughout the world.

**ENABLING HUMAN POTENTIAL**

# OUR MISSION

Our goal is to deliver the latest technologies with the most up to date knowledge of the evolving industry in media storage, reproduction, and mobile peripheral products. We believe our clients deserve an exceptional experience, which we are committed to providing with a combination of strong supplier and client relationships.



US DIGITAL MEDIA, INC

# OUR VISION

## WE FOCUS ON THE PEOPLE

The focus of our vision is to maintain high standards for decent and humane working conditions in the manufacturing operations of our supply chain. US Digital Media has established specific guidelines, in tandem with The Fair Labor Association's Affiliate Program requirements; which are recognized, respected, and considered around the world. US Digital Media requires all suppliers to operate, at minimum, in accordance with local laws and the requirements set forth in our Code of Conduct.



US DIGITAL MEDIA, INC

# LABOR AND HUMAN RIGHTS EMPLOYMENT RELATIONSHIPS

Our organization believes in taking a proactive and continuous approach towards the improvement of our relationships with internal and external labor stakeholders. Our Corporate Social Responsibility team is the integral key to accomplishing these objectives at local levels and abroad. Through our internal organized structures in Human Resources, Purchasing, and Licensing we are committed to focusing on implementation of the following strategic areas:

- Compliance with the social aspects of our Code of Conduct, relevant international labor commitments, and this CSR Policy.
- Promotion of the US Digital Media Code of Conduct and manufacturing principles of our business code of ethics.
- Development and upholding of an open dialogue with external stakeholders on labor matters.

IT ALL STARTS WITH

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# OUR CEO

## IMPLEMENTATION AT ALL LEVELS



The implementation of all strategies is a joint effort on the part of our CSR team. It begins at Corporate level with our CEO's Corporate Social Responsibility Advisory Council, to set standards and offer guidance, and continues at the local level to enforce all necessary actions that implement our policies and uphold our standards.

*“Employee relations remain a clear responsibility of the local management. We give our leadership the opportunity to manage their teams at the appropriate level; first at site level (factories, warehouse, etc.) and subsequently at international level; always according to law and respectable practices.”*

- Christopher Pignotti, CEO

# LABOR PRIORITIES

## HUMAN RIGHTS AT HOME AND ABROAD

U.S. Digital Media promotes a continuous improvement of the working conditions in our domestic facilities and with suppliers abroad. We apply special attention to the following labor priorities at our US Facility and work closely with our suppliers to ensure that they do the same:

- Respect the right of our employees to establish and join organizations of their own choosing and engage in constructive negotiations.
- Offer competitive wages and benefits that allow our employees to cover their needs according to local standards of living.
- Exude the highest respect for Corporate guidelines regarding “temporary employees” based on which temporary staff shall only be used in circumstances where it is justified by the temporary nature or need of the position and will not result in unjustifiable differences in employment conditions.
- Respect Corporate guidelines regarding “outsourced activities” which indicate that only those activities which are non-core to the business may be outsourced and that the people performing them will be treated fairly at all times.
- Implement the Corporate guidelines regarding working time for our employees to assure a safe and healthy workplace and working environment respectful of their family lives.
- Treat every employee with dignity and without any tolerance for discrimination, harassment, or abuse.



# COMMUNICATION

## FREEDOM OF ASSOCIATION



Direct and frequent communication with our workforce is essential and we strive to foster and cultivate conversations between management and employees. Close relationships and long-term employment are of great

value to our organization. Regular dialogue with our employees creates an opportunity to discuss matters of mutual concern and allows our employees to acquire a full understanding of the business activities and objectives of the Company. With the goal of continuous improvement at the forefront, we proactively encourage dialogue that goes beyond collective bargaining to share knowledge that addresses jointly important matters such as health and safety, benefits, environmental concerns, and other workplace matters.

Our domestic facilities and manufacturing partners recognize and respect the right of employees' freedom of association and collective bargaining.

# LAWFUL EMPLOYMENT

## FORCED LABOR & CHILD LABOR

US Digital Media has an absolute zero tolerance of forced labor practices. Our preliminary factory audits ensure that we avoid doing business with any supplier engaged in the use of forced prison labor, indentured labor, bonded labor, child labor, or other forced labor.



Our manufacturing partners shall not employ any person at any age younger than 15 (regardless of International Labor Organization practices or where the law of the country of manufacture allows persons under the age of 15). Where the age for completing compulsory education is higher than the standard for the minimum age of employment stated above, the higher age for completing compulsory education shall apply to this section. The manufacturing partner agrees to minimize the negative impact on children released from employment as a result of implementation or enforcement of the US Digital Media Code of Conduct.

# HEALTH & SAFETY

## MONITORING & IMPROVEMENT

US Digital Media strongly believes that it is the contributions of our people that shape our company's culture, meaningful sustainability, and business success. Out of care and consideration for our workforce, we devote the necessary resources and attention to make sure that all are protected throughout every aspect of our operation. The health and safety policies of our organization are binding to the entire team.

Our Safety and Health management system is based on the concept of continuous improvement. We improve our performance constantly by designing and adapting processes, work practices, and systems in the direction of better ergonomics and greater safety. By closely monitoring and analyzing any occurrences we are able to improve upon the overall performance of our health and safety procedures.



Moreover, our domestic facility and manufacturing partners are required to provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, occurring in the course of work, or as a result of the operation of the employment facility.

# CONTINUING EDUCATION TRAINING IS THE KEY...

Training on mandatory policies and practices is offered to all employees in the areas of:

- Occupational Safety
- Prevention of Chemical Exposure
- Emergency Preparedness
- Occupational Illness
- Industrial Hygiene
- Physically Demanding Work
- Machine Safeguarding
- Sanitation, Food, and Housing  
(Suppliers)
- Ergonomics
- Health and Safety Communication
- Worker Health and Safety Committees



# ENVIRONMENTAL IMPACT

*“OUR TOMORROW IS SHAPED TODAY”*



At US Digital Media, we are focused on operating a business that will not only thrive in our present and future economies, but will also empower our community and nurture our environment. US Digital Media keenly understands the impact of technology on the environment. Our recycling and carbon footprint reduction practices reflect our passion to ensure that the world we live in and the world we create will coexist in a way that delivers a tomorrow that we can be proud of.

# ACCOUNTABILITY

## STANDARDIZING ACROSS BORDERS



Our domestic facility's management and manufacturing partners are held accountable for compliance enforcement and are expected to operate at the highest levels of efficiency in the following areas:

- Hazardous Substance Management
- Air Emission Management
- Wastewater Management
- Environmental Permits and Reporting
- Pollution Prevention and Resource Reduction
- Hazardous Substances
- Wastewater and Storm Water Management
- Solid Waste Management
- Air Emissions
- Product Content Restrictions

# LEADING BY EXAMPLE

## A FEW OF OUR SUCCESSES

To exemplify our expectations US Digital Media has supported environmental impact throughout our entire operation in a number of ways, which include the following:

- Each gigabyte of flash memory sold by USDM saves approximately 40,000 pieces of paper. USDM has sold nearly 15 million flash drives to date.
- USDM advocates products that reduce consumers' carbon footprint, such as bamboo protective casing and recycled plastic packaging.
- Recycling bins are distributed throughout break rooms and workspaces for the waste reduction of daily cans, plastic and paper.
- Styrofoam coffee cups were replaced by reusable, hard plastic mugs and given to every US Digital Media employee.
- USDM's paperless initiative has flourished. Within three years, the company has reduced paper use by more than half. 90% of our customers utilize email invoices and the overall use of EFT's has tripled; reducing the number of paper checks as well.

# MAKING THINGS BETTER

## CORRECTIVE ACTION PLANS

At US Digital Media we understand that knowledge is only powerful if you put it into action. Since 2014, our manufacturing partners participate in an annual factory monitoring, wherein we can verify that reported improvements have in fact been accomplished. Our audits are done once a year, with each factory completing an audit every 2-3 years. Each year, every factory is required to submit documentation updates and pictures of facility improvements. Should a manufacturing partner be found in violation of the



USDMA Code of Conduct, an immediate corrective actions plan is initiated. We provide written notice to the manufacturing partner stating the specific violation(s), recommended solutions, and prescribe a reasonable deadline for remedying all occurrences. Unless the violation is corrected by the required deadline, or we agree upon a new and justifiable timeline, US Digital Media will cease to do business with the offending partner. We believe it is jointly in the best interest of the people abroad as well as our operation to not compromise on our standards.



# NOTABLE IMPROVEMENTS

## THE MEASURABLE DIFFERENCE



Through constant communication and quarterly evaluations, our CSR team is proud to be making a tangible difference. From April 2016 to our most recent monitoring in Q1 2017, overall working conditions and compliance with the standards of our Code of Conduct has increased significantly.

Suppliers have made small and large improvements, effectively earning and keeping Preferred Vendor status at US Digital Media.

**PREFERRED  
VENDOR  
2017**

Some of these improvements include:

- Electrical system upgrades
- Safety signage (exits, chemicals, etc)
- Fire alarm system installation
- Collective Bargaining Agreements written
- Worker safety - personal protection equipment



# OUR COMPLIANCE TEAM

## CEO'S ADVISORY COUNCIL

TEAM MEMBER	TITLE	ROLE & RESPONSIBILITY	JOB SPENT ON CSR
CHRISTOPHER PIGNOTTI	CEO	PLANNING AND IMPLEMENTATION	25%
JOANNA KIRBY	LICENSING DIRECTOR	SOCIAL COMPLIANCE & CORRECTIVE ACTIONS	45%
LARRY KROUGH	DIRECTOR OF EMERGING TECHNOLOGY	FACTORY INSPECTIONS & VENDOR RELATIONS	30%
LINDA ANDERSON	PURCHASING	NEW VENDOR PROFILES, EVALUATIONS, & APPROVALS	15%
TREVOR MANCE	MARKETING DIRECTOR	PROGRAM DIRECTORY & COMMUNITY IMPACT	10%
ROSE EHRICK	HUMAN RESOURCES	NEW EMPLOYEE & ANNUAL TRAINING	15%

FOR QUESTIONS AND INQUIRIES, OR TO REACH OUR COMPLIANCE TEAM DIRECTLY, PLEASE CONTACT US ANYTIME.

**US DigitalMedia**<sup>®</sup>

1929 WEST LONE CACTUS DRIVE

PHOENIX, ARIZONA 85027

P: (623) 587 - 4900 / F: (623) 587-4920

[LICENSING@USDIGITALMEDIA.COM](mailto:LICENSING@USDIGITALMEDIA.COM)