

# **Corning Incorporated**

## **2019 Statement on Efforts to Combat Human Trafficking and Slavery in Our Supply Chains**

(Published in Compliance with the California Transparency in Supply Chain and United Kingdom Modern Slavery Acts)

**March 2019**

## Introduction

Corning Incorporated<sup>1</sup> is committed to treating everyone in our business and supply chains with dignity and respect. We take seriously our role in combatting slavery and human trafficking in our supply chains and we work to ensure the well-being of the people who help make our products and supply materials to our supply chain.

The **California Transparency in Supply Chains Act of 2010** requires certain companies to disclose their efforts to eradicate slavery and human trafficking from their direct supply chains for tangible goods offered for sale. The **U.K. Modern Slavery Act of 2015** requires certain commercial organizations to prepare and publish a slavery and human trafficking statement for the financial year describing the steps, if any, the organization has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains and in any part of its own business.

This 2019 Statement on Efforts to Combat Human Trafficking and Slavery in Our Supply Chains reflects Corning's progress during 2018, covering Corning's January 1 – December 31 fiscal year, and ongoing efforts, to combat and prevent human trafficking, slavery, and forced, compulsory, or involuntary labor in our supply chain. This Statement is intended to fulfill the requirements of both the California and UK acts specified above.

## Corning's Supplier Code of Conduct and Commitment to Prevention of Human Trafficking

As a global corporation with manufacturing facilities around the world, Corning relies on a vast network of suppliers. To support Corning's supplier-related compliance efforts, Corning created its [Supplier Code of Conduct](#) (the "Supplier Code"), available in thirteen languages, which, among other things, addresses humane labor conditions and clearly states that **"Suppliers shall not use forced, bonded or indentured labor or involuntary prison labor."** Corning's Supplier Code is built upon and incorporates many key aspects of the Responsible Business Alliance ("RBA") Code of Conduct, including those related to humane labor conditions, child labor, humane treatment, working and living conditions, freedom of association and wages and benefits. Corning's Supplier Code applies to companies ("Suppliers") that do business with Corning and requires that Suppliers and their employees comply with the Supplier Code in all aspects of their operations that relate to their business with Corning.

Corning relies upon a vast network of Suppliers. In keeping with Corning's Values and Corning's Corporate Citizenship responsibilities, we invest considerable energy into selecting Suppliers who meet our standards and as noted above, we require that they adhere to our Supplier Code, or in rare instances, their own equivalent code of conduct. In this way, Corning ensures that our Suppliers' operations are conducted with respect for the laws of the regions they serve.

Our Supplier Code expressly prohibits the use of slavery or other involuntary labor:

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<sup>1</sup> The term "Corning" used in this Statement refers collectively to Corning Incorporated and its subsidiaries, including Corning Limited.

**Suppliers shall not use forced, bonded or indentured labor or involuntary prison labor. All work will be voluntary, and workers should be free to leave upon reasonable notice. Prohibited actions include transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services.**

In order to address the risks of involuntary labor arising from unethical hiring practices, our Supplier Code requires that workers be provided a written employment contract in their native language. We also prohibit the payment of recruitment fees or other similar fees in connection with employment. Suppliers are required to repay any such fees to workers in the event they are found.

As stated in Corning's Supplier Code, Suppliers and their employees are encouraged to use Corning's anonymous, third party reporting service to report any concerns related to issues covered by the Supplier Code, including concern related to human trafficking or slavery. This service is available 24 hours a day, seven days week, either by telephone or via the internet.

In the event of a violation of Corning's Supplier Code, Corning reserves the right to either terminate its relationship with the Supplier or to work with the Supplier to implement corrective action to remedy the non-conformance, depending on its nature and severity.

### **Verification**

In addition to the deployment of the Supplier Code as described above, Corning takes steps to evaluate, assess, and verify risks of slavery and human trafficking in our supply chains through our Supplier onboarding and ongoing management processes.

In 2015, Corning launched a program to migrate Supplier on-boarding from multiple platforms to a single standard global process and repository which includes approval of all new Suppliers by Corning Supply Management professionals. This process of centralization has decreased total new Supplier adds and increased oversight on new Suppliers. Corning continues to implement new processes to enable early detection and consistency of checks to reduce risk prior to potential Suppliers entering our supply chain.

In addition, Corning Supply Management professionals conduct internal assessments of strategic Suppliers based upon industry standards and the Corning quality framework. The frequency and scope of these assessments are based upon Supplier importance and business priorities. Corning uses a consolidated, consistent template for these assessments, which in 2019 is being expanded to include additional corporate social responsibility questions in alignment with RBA standards. By the end of 2019, 100% of Corning's strategic preferred Suppliers will have been evaluated through this assessment process.

### **Supplier Audits and Oversight Practices**

All of Corning's Suppliers must agree to act in accordance with the principles and requirements of our Supplier Code, which includes Corning's right to audit.

Corning has developed a comprehensive audit program for its highest risk strategic Suppliers, including a specific focus on contract manufacturers, where Corning has determined the risk of

human trafficking in its supply chains to be the highest, given the nature of such operations. Assessments are conducted by well-respected third-party auditors and aligned with industry standards, including RBA principles, with reassessments to follow on a two-year cycle thereafter. Based on results, improvement plans for mitigation and training are developed, and follow-ups are scheduled. Insufficient remediation may result in contract termination.

In 2017, we conducted in depth third-party audits on 100% of our highest risk suppliers, and remediation of findings from these audits continued through 2018. We are expanding these audits in 2019 to encompass medium risk suppliers.

In addition, as part of Corning's policy regarding the responsible sourcing of materials, Corning's Supplier Code requires that all Suppliers have a policy to ensure that conflict minerals (e.g., tantalum, tin, tungsten and gold) in products manufactured by or for the Supplier 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 any adjoining country. Suppliers are required to exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available to Corning upon request. Corning relies upon third-party industry assessments of smelters and refiners of tin, tantalum, tungsten, and gold identified in Corning's supply chain, such as the RBA's Responsible Minerals Initiative. For more information see Corning's [Conflict Minerals Policy](#).

## **Internal Accountability**

Corning maintains a robust internal compliance program intended to ensure a culture of ethics and compliance among Corning's workforce. This program includes periodic compliance training, regular communications to employees, resources on the Corning intranet site, annual certifications, and multiple means of reporting concerns.

Corning's internal culture of ethics and compliance is based upon [Corning's Values](#) and [Corning's Code of Conduct](#), which governs the legal and ethical aspects of employee behavior. Corning also has published a [Human Rights Policy](#) setting forth our respect and support for human rights. The Corning Code of Conduct describes how we behave in accordance with Corning's Values and requires that employees abide by laws and regulations applicable to their work, including laws regarding workplace practices and safety. Through the Code of Conduct, Corning seeks to promote honest and ethical conduct, deter wrongdoing, and support compliance with applicable laws and regulations. The Code of Conduct is available in twelve languages and employees are required to complete training regarding the Code of Conduct.

Violations of the Corning Code of Conduct can result in disciplinary action, which may include termination. Suspected violations can be anonymously reported to Corning's Code of Conduct Line, which is available worldwide, 24 hours a day via either a toll-free call or the intranet. Information about reporting is made available to all employees through the Code itself, on other pages in Corning's intranet site; and via posters printed in local language at Corning sites around the world.

Corning has a Compliance Council made up of senior leaders from Law, Finance and Human Resources who meet regularly to provide guidance and oversight for the corporate compliance program. Periodic reporting is also provided to the Audit Committee of Corning's Board of

Directors, which retains oversight authority for Corning's compliance program, as well as the Corporate Relations Committee of the Board.

## **Training**

All employees are required to complete training related to Corning's Code of Conduct. This training ensures that employees are familiar with the areas covered by Corning's Code, including ethical and legal obligations toward the protection of human rights. Corning's training also ensures employees know how to report concerns, including through Corning's anonymous third-party hotline if desired. Corning maintains a strong commitment to preventing retaliation against those who report compliance concerns as set forth in Corning's [Whistleblower Policy](#).

In addition, management personnel within Corning are also required to complete an annual certification attesting that they know and understand the requirements of Corning's Code of Conduct.

Before the end of the first quarter in 2019, Corning intends to provide awareness training on slavery and human trafficking to leaders within its Global Supply Management function. Similar training for other Global Supply Management employees will be completed by the end of the year, and this training will become a routine requirement of onboarding for the Global Supply Management function in the future.

Longer term, Corning is also planning to develop awareness training for its strategic preferred suppliers on the subject of slavery and human trafficking, with implementation plans to be developed during 2019. High risk suppliers are currently being trained on these subjects as a part of our third-party audit program.

More generally, Corning routinely trains its Supply Management personnel regarding best practices for dealing with Suppliers, including the Supplier Code, what it means, and how it applies to Suppliers, and this training is a component of the onboarding process for new employees.

## **Certification**

Corning's Suppliers are required to operate in full compliance with all applicable laws and regulations, and they must agree to and comply with the standards of Corning's Supplier Code, which goes beyond mere compliance with existing law. By agreeing to comply with our Supplier Code, Corning's Suppliers are obligated to meet these higher standards.

Corning is committed maintaining high standards of social responsibility and continuing to work toward combating human trafficking and slavery in its supply chains. For more information on Corning's commitment to corporate social responsibility, see our [Values](#) and [Corporate Sustainability](#) web pages.

**Signatures**

On behalf of Corning Incorporated:

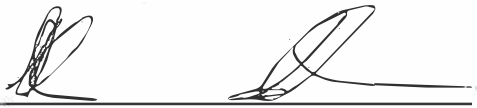


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Cheryl C. Capps

Senior Vice President  
Global Supply Chain  
Corning Incorporated  
March 25, 2019

On behalf of Corning Limited:

In accordance with the U.K. Modern Slavery Act 2015 and guidance thereunder, this 2019 Statement on Efforts to Combat Human Trafficking and Slavery in Our Supply Chains has been approved by the directors of Corning Limited on March 20, 2019 signed by the undersigned director for and on behalf of Corning Limited to the extent that this Statement relates to the activities of that entity.



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Steve Candler

Director  
Corning Limited  
March 25, 2019