



SUPPLIER CODE OF CONDUCT

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Message from the Chief Executive Officer

Avi-Tech Electronics Limited is committed to the adoption of Electronic Industry Citizenship Coalition® (EICC®) Code of Conduct as a Corporate Social Responsibility model in delivering the highest standards of product quality and business integrity in our dealings with suppliers, sub-contractors, and other service providers. This is to ensure that working conditions in our supply chain are safe, that workers are treated with respect and dignity, and that business processes are environmentally responsible.

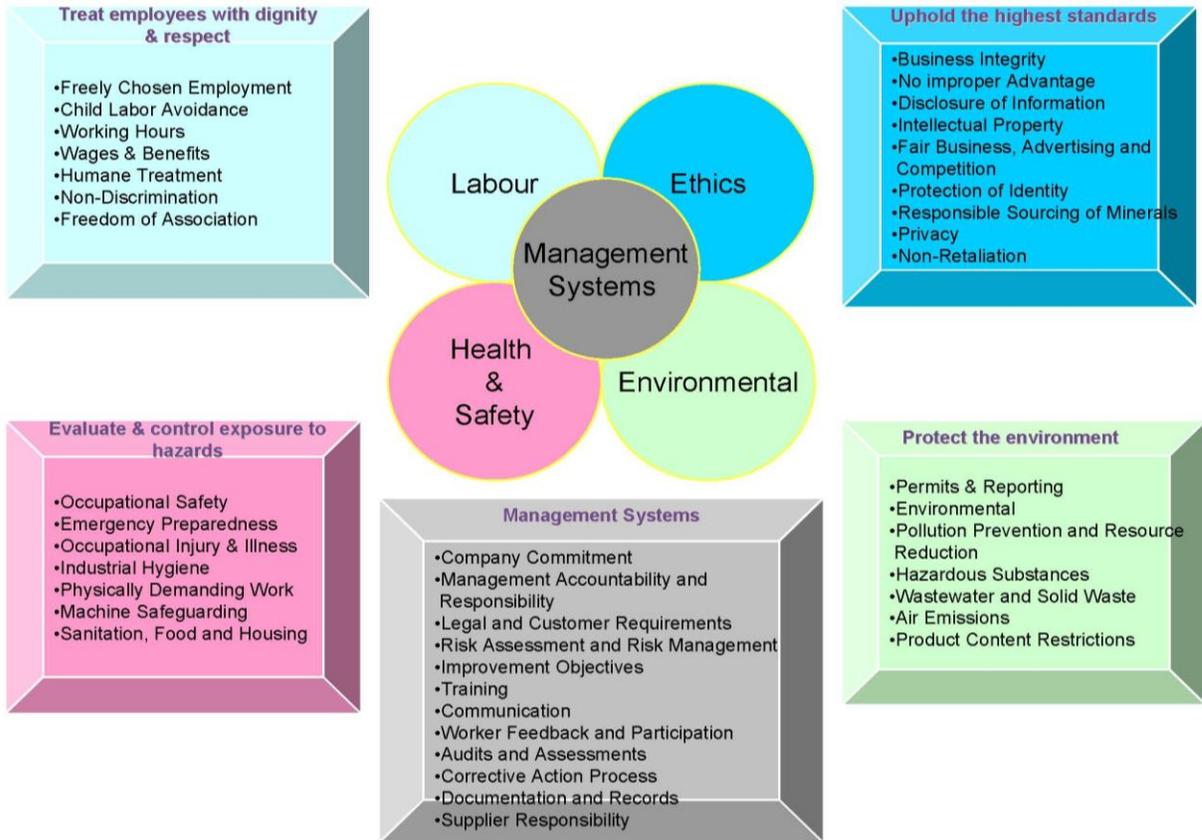
To ensure that our suppliers, sub-contractors, and other service providers meet and support these objectives, this code defines the corporate responsibility requirements for all suppliers, sub-contractors, and other service providers working with Avi-Tech. We reserve the right to reasonably modify the requirements of this code due to the changes in the Avi-Tech operations systems or program.

Avi-Tech is expecting our suppliers, sub-contractors, and other service providers to acknowledge and support our code and seek to conform to its standards and provisions documented in detail below.

Lim Eng Hong
Chief Executive Officer
5th August 2013



EICC Framework and Requirements



Part A: Labor

Avi-Tech is committed to upholding the human rights of workers, and to treat them with dignity and respect as understood by the international community. We expect the same from our suppliers, sub-contractors, and other service providers.

1) **Freely Chosen Employment**

Forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery or trafficking of persons shall not be used. This includes transporting, harboring, recruiting, transferring or receiving vulnerable persons by means of threat, force, coercion, abduction or fraud for the purpose of exploitation. All work must be voluntary and employees shall be free to leave work at any time or terminate their employment. Employees must not be required to surrender any government-issued identification, passports, or work permits as a condition of employment. Excessive fees are unacceptable and all fees charged to employees must be disclosed.



2) **Child Labor Avoidance**

Child labor is not to be used in any stage of manufacturing. The term, 'child' refers to any person employed under the age of 15 (or 14 where the law of the country permits) or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is supported. Employees under the age of 18 shall not perform work that is likely to jeopardize the health or safety of young employees.

3) **Working Hours**

Studies of business practices clearly link employee strain to reduced productivity, increased turnover and increased injury and illness. Workweeks are not to exceed the maximum set by local law. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Employees shall be allowed at least one day off per seven-day week.

4) **Wages and Benefits**

Compensation paid to employees shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, employees shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. The basis on which employees are being paid is to be provided in a timely manner via pay stub or similar documentation.

5) **Humane Treatment**

There is to be no harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of employees; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to employees.

6) **Non-Discrimination**

Suppliers, sub-contractors and other service providers should be committed to a workplace free of harassment and unlawful discrimination. Companies shall not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, 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, employees or potential employees shall not be subjected to medical tests that could be used in a discriminatory way.



7) **Freedom of Association**

Open communication and direct engagement between employees and management are the most effective ways to resolve workplace and compensation issues. The rights of employees to associate freely, join or not join labor unions, seek representation, and join employees' councils in accordance with local laws and regulation shall be respected. Employees shall be able to openly communicate and share grievances with management regarding working conditions and management practices without fear of reprisal, intimidation or harassment.

Part B: Ethics

To meet social responsibilities and to achieve success in the marketplace, suppliers, sub-contractors and other service providers are to uphold the highest standards of ethics including:

1) **Business Integrity**

The highest standards of integrity are to be upheld in all business interactions. The company shall have a zero tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement (covering promising, offering, giving or accepting any bribes). All business dealings should be transparently performed and accurately reflected on the company's business book and records. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

2) **No Improper Advantage**

Bribes or other means of obtaining undue or improper advantage are not to be offered or accepted.

3) **Disclosure of Information**

Information regarding business activities, structure, financial situation and performance is to 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.

4) **Intellectual Property**

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights.

5) **Fair Business, Advertising and Competition**

Standards of fair business, advertising and competition are to be upheld. Appropriate means to safeguard customer information must be available.

6) **Protection of Identity (Whistleblowers)**

Avi-Tech has a "Whistleblower" policy in place to protect supplier's employees' confidentiality and encourage the suppliers to do the same.



7) Responsible Sourcing of Minerals

Suppliers, sub-contractors and other service providers shall have a policy to reasonably assure that the tantalum, tin, tungsten and gold in the products they manufacture does 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 adjoining country. They shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available to customers upon customer request.

8) Privacy

Suppliers, sub-contractors and other service providers are to commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers and employees. The company is to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

9) Non-Retaliation

Companies should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

Part C: Workplace Safety & Health (WSH)

Avi-Tech recognizes that in addition to minimizing 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 employee retention and morale. We also recognize that ongoing employee input and education is essential to identifying and solving health and safety issues in the workplace.

As a result, we require our suppliers also to be committed to ensuring the creation of healthy and safe working conditions. We expect them to provide evidence of suitable controls, safe working procedures, preventive maintenance and general protective measures used in their working environments.

1) Occupational Safety

Employee exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, and fall hazards) are to be controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tag out), and ongoing safety training. Where hazards cannot be adequately controlled by these means, employees are to be provided with appropriate, well-maintained, personal protective equipment. Employees shall not be disciplined for raising safety concerns.



2) **Emergency Preparedness**

Potential emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including: emergency reporting, employee notification and evacuation procedures, employees training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans.

3) **Occupational Injury and Illness**

Procedures and systems are to be established to prevent, manage, track and report occupational injury and illness including provisions to: encourage employee reporting; classify and record injury and illness cases; provide necessary medical treatment; investigate cases and implement corrective actions to eliminate their causes; and facilitate return of employees to work.

4) **Industrial Hygiene**

Employee exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled. Engineering or administrative controls must be used to control overexposures. When hazards cannot be adequately controlled by such means, employee health is to be protected by appropriate personal protective equipment programs.

5) **Physically Demanding Work**

Employee 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 is to be identified, evaluated and controlled.

6) **Machine Safeguarding**

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

7) **Sanitation, Food and Housing**

Employees are to be provided with ready access to clean toilet facilities, portable water and sanitary food preparation, storage, and eating facilities. Employee dormitories provided by the company or a labor agent are to be maintained clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, and adequate heat and ventilation and reasonable personal space along with reasonable entry and exit privileges.



Part D: Environment

Avi-Tech has long maintained a responsible attitude and contributes to the preservation and protection of the environment as part of our business operations and in our daily lifestyle. Since we firmly believe that sustainable development can be secured only if we safeguard our valuable resources, we deal with suppliers which have similar environmental goals.

1) Environmental Permits and Reporting

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

2) Pollution Prevention and Resource Reduction

Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying productions, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

3) Hazardous Substances

Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, use recycling or reuse and disposal.

4) Wastewater and Solid Waste

Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be characterized, monitored, controlled and treated as required prior to discharge or disposal.

5) Air Emissions

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

6) Product Content Restrictions

Suppliers shall adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances, including labeling for recycling and disposal.



Part E: Management Systems

Suppliers, sub-contractors and other service providers shall adopt or establish a management system whose scope is related to the content of this Code. The management system should be designed to ensure (a) compliance with applicable laws, regulations and customer requirements related to the company's operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement.

The management system should contain the following elements:

1) Company Commitment

Corporate social and environmental responsibility policy statements affirming the company's commitment to compliance and continual improvement, endorsed by executive management.

2) Management Accountability and Responsibility

Clearly identified company representative(s) responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management system on a regular basis.

3) Legal and Customer Requirements

A process to identify, monitor and understand applicable laws, regulations and customer and other requirements, including the requirements of this code.

4) Risk Assessment and Risk Management

A process to identify the environmental, health and safety and labor practice and ethics risk associated with the company operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

Note: 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 employee housing/dormitories.

5) Improvement Objectives

Written performance objectives, targets and implementation plans to improve the company social and environmental performance, including a periodic assessment of the company's performance to achieve those objectives.



- 6) **Training**
Appropriate training programs for managers and employees to implement policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.
- 7) **Communication**
A process for communicating clear and accurate information about the company's policies, practices, expectations, and performance to its employees, suppliers, and customers.
- 8) **Employees Feedback and Participation**
Ongoing process to assess employees' understanding of and obtain feedback on practices and conditions covered by this Code and to foster continuous improvement.
- 9) **Audits and Assessments**
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.
- 10) **Corrective Action Process**
A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.
- 11) **Documentation and Records**
Creation and maintenance of documents and records to ensure regulatory compliance and conformity to this Code, along with appropriate confidentiality to protect privacy.
- 12) **Supplier Responsibility**
A process to communicate Code requirements to suppliers and to monitor supplier compliance to the Code.



Part F: References

The following standards were used in preparing this Code and may be a useful source of additional information. The following standards may not be endorsed by each Participant.

Dodd-Frank Wall Street Reform and Consumer Protection Act

<http://www.sec.gov/about/laws/wallstreetform-cpa.pdf>

Eco Management & Audit System

www.quality.co.uk/emas.htm

Ethical Trading Initiative

www.ethicaltrade.org/

ILO Code of Practice in Safety and Health

www.oecd.org/public/english/protection/safework/cops/english/download/e000013.pdf

ILO International Labor Standards

www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm

ISO 14001

www.iso.org

National Fire Protection Agency

[www.nfpa.org/catalog/home/About NFPA/index.htm](http://www.nfpa.org/catalog/home/About%20NFPA/index.htm)

OECD Due Diligence Guidance

[http://www.oecd.org/document/36/0.3746.en_2649_34889_44307940_1_1_1_1.00.html](http://www.oecd.org/document/36/0,3746,en_2649_34889_44307940_1_1_1_1.00.html)

OECD Guidelines for Multinational Enterprises

www.oecd.org

OHSAS 18001

www.bsi-global.com/index.xalter

Universal Declaration of Human Rights

www.un.org/Overview/rights.html

United Nations Convention Against Corruption

www.unodc.org/unodc/en/crime_convention_corruption.html

United Nations Global Compact

www.unglobalcompact.org

SA 8000

www.cepaa.org/

SAI

www.sa-intl.org