



# Supplier Code of Conduct

## 1.0 Overview

Unisem's Code of Conduct summarizes the general business practices and legal requirements that guide our decision making and business activities. The Code contains basic information about Unisem's policies as well as information about how to obtain guidance regarding specific business practices or compliance concerns. It is essential that our suppliers thoroughly review this Code and make a commitment to uphold its principles. Our goal with suppliers is to ensure full compliance with these principles. These requirements set out the minimum levels of compliance required of Unisem's suppliers. As a supplier you are encouraged to exceed the requirements wherever possible. These principles will be considered in selection of suppliers and Unisem will actively monitor each supplier's compliance.

## 2.0 Agreement

By signing below, you ("Supplier") agree to conduct your business in conformity with this Code of Conduct. Ensure that all of your personnel, officers, directors, agents, representatives, contractors, and any other entities acting on your behalf are aware of the principles and requirements of this Code of Conduct. You will provide appropriate training and guidelines to ensure compliance by all of your personnel, officers, directors, agents, representatives, contractors, and any other entities acting on your behalf, with this Code of Conduct.

## 3.0 Supplier Code of Conduct

### 3.1 Suppliers Commitment: Integrity in All Interactions

Each day we interact with a variety of individuals and groups — including our customers, partners, competitors, co-workers, shareholders, vendors, governmental and regulatory agencies, and the communities in which we operate. Suppliers are committed to interacting with all of these audiences in a respectful, ethical manner and complying with applicable laws and regulatory requirements.

### 3.2 Laws, Including Regulations and Other Legal Requirements:

Suppliers obey all the laws and regulations that govern the management of their business. You are responsible for understanding these laws and regulations as they apply to your jobs and your business and for preventing, detecting, and reporting instances of non-compliance to a member of your management, the Human Resources Department, or the Legal Department.



### **3.3 Labor Standards:**

Suppliers are committed to uphold the human rights of workers and to treat them with dignity and respect as understood by the international community. The labor standards are:-

**3.3.1 Freely Chosen Employment** – use of forced, bonded(including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons are prohibited at all times. 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 restriction of worker's freedom of movement inside the place of production or facilities, including access to drinking water, bathroom breaks, in-house clinic and the worker's dormitory room or living quarters, except where necessary for worker safety and permitted by applicable laws and regulations.

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 must be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per worker's contract.

Employers can only hold documentation if such holdings are required by law. In this case, at no time should workers be denied access to their documents. Workers shall not be required to pay employers' agent or sub-agents' recruitment fees or other related fees for their employment.

**3.3.2 Young Workers** – Child labor is not to be used in any stage of manufacturing. The term "child" refers to any person under the age of 15 (or the age where the law of the country permits) If child labor is identified, assistance/remediation is provided.

An appropriate mechanism will be used to verify the age of workers. 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.

**3.3.3 Working Hours** – workweeks are not to exceed the maximum set by local laws. Further, a workweek should not be more than 60 hours per week, including overtime, except for emergency or unusual situations.

All overtime must be voluntary. Workers shall be allowed at least one day off for every seven days.



**3.3.4 Wages & Benefits** – Compensations paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. 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 will be within the limits of the local law.

**3.3.5 Humane Treatment** – all disciplinary policies and procedures shall be clearly defined and communicated to employees. There shall be no harsh and inhumane treatment, including any violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming or verbal abuse of workers: or is there to be the threat of any such treatment.

**3.3.6 Non-Discrimination/Non-harassment** – Commitment to provide a workplace free of harassment and unlawful discrimination. Companies shall not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity and 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.

Workers shall be provided with reasonable accommodation for religious practices. 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.

### **3.4 Policy on Corruption**

Supplier is to comply with the anti-corruption practices of the countries, the Foreign Corrupt Practices Act (FCPA), and any international anti-corruption conventions in which it does business. Suppliers shall not engage in any form of corruption, extortion, or embezzlement. This prohibition covers promising, offering, authorizing, giving and accepting, either directly or indirectly through third party or promises of payment to foreign government officials for the purpose of inducing the individual to misuse his or her position to obtain or retain your business or otherwise gain an improper advantage. Suppliers also will not accept bribes or other means to obtain an undue or improper advantage. Any individual with any suspicions, concerns or queries regarding a payment made on our behalf or improper business practices, he/she should raise these by calling Unisem Ethics Hotline Number which is available during working hours from 8:00am (+0800 UTC) to 5:45pm (+0800 UTC), Monday to Friday at (+) 6012-5334890 (International) or write in email to [ethicsqueries@unisemgroup.com](mailto:ethicsqueries@unisemgroup.com).



### **3.5 Communication:**

Suppliers are to apply standards of full, fair, accurate, timely, and understandable disclosure in reports and documents that are filed or submitted to governmental agencies. Suppliers establish and maintain clear, honest, and open communications; listen carefully; and build your relationships on trust, respect, and mutual understanding. Your advertising, sales, and promotional literature seeks to be truthful, accurate, free from false claims, and supported by documentation. Suppliers are committed to the ethical marketing and advertising practices that meet the standards set by external regulations & codes of practices, in particular:

- all laws and regulations dealing with marketing and advertising practices
- all global, regional and local industry codes relevant for your business
- privacy of your customer information, including all relevant customer data

Suppliers are committed to a set of governing principles, which are based on your marketing and advertising activity, to include:

- accuracy: all marketing / advertising to undergo internal review for accuracy and compliance;
- clarity: prohibit the use of misleading or deceptive statements about your company or its products/services;
- consistency: all messaging to be consistent across platforms – social media, corporate website, company brochure, exhibitions and tradeshow;
- fair competition: to uphold the best practices for fair competition and to prohibit the use of slanderous, defamatory and negative remarks about your competitors; and
- transparency: communicate pertinent company information clearly with all constituencies in a timely manner

### **3.6 Use and Protection of Assets:**

Suppliers wisely use and protect the assets of Unisem, including physical and intellectual property, supplies, consumables, and equipment. To use these assets exclusively for Unisem's business purposes only.

### **3.7 Conflicts of Interest:**

Suppliers are expected to exercise sound judgment unclouded by personal interests or divided loyalties. Both in the performance of your dealing with Unisem and also outside activities, seek to avoid the appearance of, as well as any actual, conflict of interest, including conflicts that might arise from outside employment, directorships with other companies, business interests or investments in companies.



Suppliers require to disclosed any situation that could reasonably be expected to give rise to a conflict of interest.

### **3.8 Confidential and Proprietary Information:**

Suppliers have ethical and legal responsibilities to protect Unisem's confidential and proprietary non-public information and communicate it only as necessary when conducting business with Unisem's. Suppliers can only disclose Unisem's confidential information to third parties to further Unisem's business, but only under an appropriate written nondisclosure agreement. Suppliers are not use this information for your own personal advantage or for non-Unisem business related use.

### **3.9 Gifts and Entertainment:**

Suppliers to have policy and encouraged to practice the use of good judgment, discretion, and moderation when giving or accepting gifts or entertainment in business settings. Gift giving and entertainment practices may vary in different cultures; however, any gifts and entertainment given or received must be in compliance with law, must not violate the giver's and/or receiver's policies on the matter, and be consistent with local custom and practice. Suppliers are not to solicit gifts, entertainment, or favors of any value to act in a manner that would place any vendor or customer in a position where he or she may feel obligated to do business or continue to do business.

### **3.10 Equal Employment Opportunity:**

Suppliers to promote a cooperative and productive work environment by supporting the cultural and ethnic diversity of its workforce and is committed to providing equal employment opportunity to all qualified employees and applicants. Suppliers take allegations of harassment and unlawful discrimination seriously and address such concerns that are raised regarding this policy.

### **3.11 Freedom of Association:**

Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. In conformance with the law, suppliers 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. Workers and/or representatives shall be able to openly communicate and share ideas and concerns with management regarding working condition and management practices without fear of discrimination, reprisal, intimidation or harassment.



### **3.12 Safety and Health:**

Suppliers are to comply with all applicable safety and health regulations and appropriate practices. Supplier shall provide its employees with a safe and healthy workplace in compliance with all applicable laws and regulations and ISO 45001. Consistent with these obligations, Supplier shall have and implement effective programmes that include effective safety programmes covering such areas as: human safety, emergency preparedness, chemical, physical and biological agent exposure, ergonomics, and incident reporting and investigation.

### **3.13 Respect for the Environment:**

Suppliers shall respect the environment and protect our natural resources. Suppliers shall comply with applicable laws and regulations regarding the use and preservation of land, air, and water. Environmental laws & recognized management standards – ISO14001, governs nearly all manufacturing operations, especially those causing emissions of materials into the air, land, or water. Incidents such as accidental releases and spills must be reported to the appropriate governmental agencies. In addition to complying with applicable laws, suppliers and its directors, officers and employees are committed to continuously improving your facilities to ensure that they are operated safely.

### **3.14 Conflict Minerals and Unsustainable Mined Materials:**

To the extent applicable to Supplier's operations, Supplier shall have a written policy and procedure in place to avoid knowingly acquiring conflict minerals or unsustainable mined minerals produced at high environmental and social costs.

### **3.15 Regulatory Investigations, Inspections, and Inquiries:**

Suppliers are to be direct, honest, and truthful in your discussions with regulatory agency representatives and government officials. During investigations, inspections, and inquiries, suppliers are to work with your Legal Department and cooperate by responding to appropriate requests for information.

## **4.0 Monitoring compliance to the Code of Conduct.**

To facilitate the monitoring of Supplier's compliance with this Code of Conduct, Unisem expects Supplier to:

- (a)** Develop and maintain all necessary documentation and provide appropriate training to ensure compliance with the described standards; such documentation shall be accurate, complete and include all the requirements set forth in this Code of Conduct;



- (b) Monitor its business and the business of its Sub-Suppliers with respect to conformity of this Code of Conduct;
- (c) Provide Unisem's representatives with access to all relevant records, upon Unisem's request;
- (d) Allow Unisem's representatives to conduct interviews with the Supplier's employees and management separately;
- (e) Allow Unisem's representatives to conduct announced and unannounced site visits of Supplier locations; and
- (f) Respond promptly to reasonable inquiries from Unisem's representatives in relation to the implementation of Supplier Code of Conduct.

#### **5.0 Vendors:**

Supplier's vendors must adhere to the highest standards of ethical behavior and regulatory compliance. Vendors are expected to provide high-quality services and products while maintaining flexibility and cost-effectiveness. Do not engage in any unethical or illegal conduct with your vendors. Do not accept incentives such as kickbacks or bribes in return for conducting business with them. Supplier shall incorporate the requirements of this Code of Conduct in any agreement the Supplier has or enters into with its vendors (including its contractor's, service providers and business partners) in the supply chain. In respect of a Vendor, if Unisem reasonably requests, Supplier shall provide Unisem a copy of a signed agreement with such Vendor. If any Vendor acts in a way that would represent a material breach of this Code of Conduct, Supplier shall, with respect to the provision of products and/or services to Unisem, and if requested by Unisem (acting reasonably), promptly and at no additional cost to Unisem, replace the relevant Vendor with another Vendor who can demonstrate that it conducts its business in conformity with this Code of Conduct.

#### **6.0 Enforcement:**

Unisem shall have the rights to enforce compliance of this Code of Conduct on Suppliers and its Vendors. Supplier shall incorporate this right in all agreements between Supplier and its Vendor and any other contractual arrangements within the supply chain. In the event that Supplier becomes aware of any non-compliance of this Code of Conduct by any of its personnel, agents, representatives or Vendors, the Supplier shall notify Unisem without undue delay. The Supplier shall ensure the remediation of any non-conformity with this Code of Conduct by the Supplier or its Vendor, or their respective personnel, officers, directors, agents, representatives, contractors, and any other entities acting on behalf of the Supplier at no cost to Unisem. The Supplier shall have due regard for the views of Unisem on how such non-conformity shall be addressed in an improvement plan, including established milestones for remedial actions, acceptable to Unisem (acting reasonably).



## **7.0 Governing law and Arbitrations:**

This Code of Conduct shall be governed by the laws of Malaysia. Any dispute, controversy or claim arising out or in connection with this Code of Conduct, or the breach, termination or invalidity thereof, shall, except for any action or proceeding seeking a temporary restraining order or injunction relating to this Code of Conduct, be exclusively and finally settled by arbitration in accordance with the applicable rules of the Asian International Arbitration Centre (“AIAC”) by a sole Arbitrator mutually appointed by the Parties, or, in the case of dispute as to the appointment of the Arbitrator, appointed by the Director of AIAC. The place of the arbitration shall be Kuala Lumpur, Malaysia and the language of the proceedings shall be English.

## **8.0. Default and Termination:**

A breach or violation of the Code of Conduct may result in actions being invoked against that Supplier, in addition to any contractual or legal remedies. The actions applied will depend on the nature and seriousness of the breach and on the degree of commitment shown by Supplier in remedying such breach of this Code of Conduct. If there has been a Material Breach of this Code of Conduct, Unisem may engage in good faith discussions with the Supplier to seek to identify steps to be taken by the Supplier to address such Material Breach, but notwithstanding that option, Unisem shall be entitled, in its sole discretion to terminate any and/or all agreements, or if applicable, any purchase orders thereunder, in each case upon giving seven (7) calendar days written notice. Notwithstanding the foregoing, any breach of paragraphs 3.3, 3.4, 3.8 or 3.9 shall entitle Unisem to terminate the agreements, or if applicable, any purchase orders thereunder with immediate effect.

For purposes of this paragraph, the term “Material Breach” shall include, but not be limited to the following:

- (a) Any breach of paragraphs 3.3, 3.4, 3.8, 3.9 ;
- (b) Sub-Supplier arrangements
- (c) Where material non-conformity persists and/or the Supplier or Sub-Supplier fails to take remedial actions despite written demands by Unisem to do so.





The Supplier agrees that if Unisem exercises the right to terminate any or all of the agreements or contractual arrangements with the Supplier due to a Material Breach of this Code of Conduct, this shall not be considered a breach on the part of Unisem of any such agreements or arrangements that are terminated for this purpose and, consequently, Unisem shall have no liability to the Supplier whatsoever in respect of such termination (including, without limitation, the payment of any fees) under such agreements or arrangements.

## **9.0 Acknowledgement**

### ACCEPTANCE

We, [Company Name] hereby agree to the terms of the Supplier Code of Conduct and warrant, undertake and represent to be bound by its terms.

Signed for and on behalf of [Company Name] by:

Signature :

Name :

Designation :

Date :