



AEM CODE OF BUSINESS CONDUCT

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CEO'S Notes

AEM is a global leader offering application-specific, intelligent-system test and handling solutions for semiconductor and electronics companies serving the advanced computing, 5G, and AI markets.

We have been in the business since 1990 and has transformed from a niche contract manufacturing house to a global semiconductor and electronics test solutions provider with a strong intellectual property portfolio.

AEM Holdings Ltd is listed on the main board of the Singapore Exchange and we are proud to be named by Forbes Asia as one of Asia's 200 Best Under a Billion in 2019 and 2020.

AEM has always believed that one of the cornerstones to success is to conduct and operate its business lawfully and ethically.

It is our obligation to conduct our daily work fairly and honestly at the highest ethical level when dealing with customers, vendors, government agencies, and within the company.

The AEM Code is a guide that provides comprehensive information for all AEM team members to understand and practice AEM's Business Conduct and Ethics. Everyone at AEM must apply this Code of Business Conduct in their day-to-day responsibilities and be accountable for our actions.

Together, we will uphold AEM's reputation to the highest standard of professionalism, integrity, and ethics while bringing continued success to the company.



Chandran Nair
CEO AEM



Our Values

Agile, Resilient, Innovative, Collaborative

As we grow to be the global leader in our industry, we must be deliberate about building our culture that is centered around the following attributes:



Customer Intimacy

- ✓ Exceed our customers' expectations
- ✓ Ensure our customers' success
- ✓ Extreme sense of urgency to meet customers' needs



Lead

Be Leaders & Enablers of Success

- ✓ Lead by example & take responsibility
- ✓ Delegate & be accountable
- ✓ Value the autonomy and trust to function independently



Impact-Driven

- ✓ Action & Deliver, Repeat
- ✓ Aim for the highest level of customers' company's, team's and personal best



Challenge

Be Empowered to Challenge, Respectfully

- ✓ Challenge from within
- ✓ Seek the best solutions
- ✓ Challenge the status quo and the ideas



Learning Organization

Be Empowered to Challenge, Respectfully

- ✓ Create, Acquire, and Share Knowledge
- ✓ Translate into action
- ✓ Be open & adaptable to new knowledge and insights

Principles Guiding The AEM Code





Ethics

Even when under pressure, we will always act ethically, lawfully, and in the public interest. Upholding these standards is our promise to our customers, our colleagues, and our community. The AEM Code clearly states our stringent anti-bribery and anti-corruption policies

and more. It sets expectations to respect the intellectual properties of AEM, our customers, and other third parties. We are committed to protecting the privacy of the people with whom we do business, including our customers, our colleagues, and other stakeholders.

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Business Integrity

The highest standards of integrity are to be upheld in all business interactions. AEM has a zero-tolerance policy to prohibit all forms of bribery, corruption, extortion, and embezzlement.



No Improper Advantage

Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given, or accepted. This prohibition covers promising, offering, authorizing, giving, or accepting anything of value, either directly or indirectly through a third party, to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. AEM anti bribery and anti-corruption expectations are set out in our Anti-Bribery and Anti-Corruption Policy document available [here](#).



Disclosure of Information

All business dealings should be transparently performed and accurately reflected on AEM's business books and records. Information regarding AEM's labor, health and safety, environmental practices, business activities, structure, financial solution, 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 is unacceptable.



Fair Business, Advertising and Competition

Standards of fair business, advertising, and competition are to be upheld.



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, and customer and supplier information is to be safeguarded.



Protection of Identity and Non-Retaliation

Programs that ensure the confidentiality, anonymity and protection of supplier and employee whistleblowers are to be maintained unless prohibited by law. We have communicated the process for our personnel to raise any concerns without fear of retaliation.



Responsible Sourcing of Materials

AEM has the policy to 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 an adjoining country. We exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available to the customer upon customer request.



Privacy

AEM commits to protect the personal information of everyone they do business with, including suppliers, customers, consumers, and employees. We comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

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Labor

Every AEM team member matters, and our success would not be possible without them. Our Labor Conduct commits to uphold our employees' and prospective employees' human rights

and ensure that they are treated fairly, with respect and dignity. It defines the equality and inclusive work environment that AEM strives to be.



Freely Chosen Employment

Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery, or trafficking of persons shall not be used. This includes transporting, harboring, recruiting, transferring, or receiving persons through threat, force, coercion, abduction, or fraud for labor or services.

There shall be no unreasonable restrictions on employees' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities.

As part of the hiring process, the company must provide a written employment agreement in their native language that contains a description of employment terms and conditions before they depart from their country of origin. 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 employees shall be free to leave work at any time or terminate their employment.

Employers and agents may not hold or otherwise destroy, conceal, confiscate or deny employees' access to their identity or immigration documents, such as government-issued identification, passports, or work permits unless such holdings are required by law. Workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. If any such fees are found to have been made, the company or agent must repay the employee.



Young Workers

Child labour is not to be used at any stage of manufacturing. The term "child" refers to any person under the age of 15, or below 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, are supported. Employees 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. AEM ensures proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights under applicable law and regulations. We provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns, and apprentices shall be at least the same wage as other entry-level workers performing equal or similar tasks.



Wages and Benefits

Compensation paid to employees shall comply with all applicable wage laws, including minimum wages, overtime hours, and legally mandated benefits. In compliance with local laws, the company will compensate employees for overtime at pay rates greater than regular hourly rates. AEM does not permit deductions from wages as a disciplinary measure. We will provide employees with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for each pay period's work. All use of temporary, dispatch and outsourced labor will be within the local law's limits.



Non-Discrimination

AEM commits to a workforce that is free of harassment and unlawful discrimination. We do not engage in discrimination 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. We will provide employees with reasonable accommodation for religious practices. The company should also not subject employees or potential employees to medical tests or physical exams that could be used in a discriminatory way.



Working Hours

Working hours are not to exceed the maximum set by local law. 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 every seven days.



Humane Treatment

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



Freedom of Association

We respect all workers' right to form and join trade unions of their choosing, bargain collectively, and engage in peaceful assembly and also the the right of employees to refrain from such activities. Employees and/or their representations can openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.

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Health & Safety

We are committed to the safety of our team members, contractors, and other stakeholders who are working in our facilities and customers who encounter

our products. We continuously improve our occupational safety procedures to meet or exceed industry standards.



Occupational Safety

To identify and assess potential safety hazards exposure to employees at all times. To control through proper design, engineering and administrative controls, preventive maintenance and work safety procedures (including lockout/tagout), and ongoing safety training. Where hazards cannot be adequately controlled by these means, employees must be provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks associated with these hazards. Reasonable steps must also be taken to remove pregnant women and nursing mothers from working conditions with high hazards. The company must remove or reduce workplace health and safety risks to pregnant women and nursing mothers, including those associated with their work assignments, and include reasonable accommodations for nursing mothers.



Emergency Preparedness

Potential emergencies 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, employee training and drills, appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment, and property.



Occupational Injury and Illness

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



Industrial Hygiene

Employees' exposure to chemical, biological, and physical agents is to be identified, evaluated, and controlled according to controls' hierarchy. Potential hazards are to be eliminated or controlled through proper design, engineering, and administrative controls. When hazards cannot be adequately controlled by such means, employees are to be provided with and use appropriate, well-maintained, personal protective equipment. Protective programs shall include educational materials about the risks associated with these hazards.



Physically Demanding Work

Employees' 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.



Machine Safeguarding

We will evaluate the production and other machinery for safety hazards. Physical guards, interlocks, and barriers are provided and properly maintained where machinery presents an injury hazard to employees.



Health and Safety Communication

We provide employees with appropriate workplace health and safety information and training on all the identified workplace hazards that employees are exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards. Health and safety-related information shall be clearly posted in the facility or placed in a location identifiable and accessible by employees. Training is provided to all employees before the beginning of work and regularly after that. Employees are encouraged to raise safety concerns.

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Environment

We put in measures to ensure that our business operations and our services have minimal negative impact on the environment and within the community

we work and live in. The AEM Code provides a clear direction of our efforts in reducing the adverse environmental impact of our business activities.



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.



Pollution Prevention and Resource Reduction

Emissions and discharges of pollutants and generation of waste are minimized or eliminated at the source or by adding pollution control equipment, modifying production, maintenance, and facility processes; or other means. Natural resources, including water, fossil fuels, minerals, and virgin forest products, are to be conserved or by practices such as modifying production, maintenance, facility processes, materials substitution, re-use, conservation, recycling, or other means.



Hazardous Substances

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



Solid Waste

A systematic approach has been implemented to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous).



Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone-depleting chemicals, and combustion by-products generated from the operation are characterized, routinely monitored, controlled, and treated required prior to discharge. We conduct routine monitoring of the performance of its air emission control systems.



Material Restrictions

AEM complies with all applicable laws, regulations, and customer requirements regarding prohibition or restriction of specific products and manufacturing substances, including labeling for recycling and disposal.



Water Management

AEM monitors water sources, uses, and discharge; seeks opportunities to conserve water; and controls contamination channels. All wastewater is to be characterized, monitored, controlled and treated as required prior to discharge or disposal. We conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.



Energy Consumption and Greenhouse Gas Emissions

Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions are to be tracked and documented at the facility and/or corporate level. AEM adopts cost-effective methods to improve energy efficiency and minimize energy consumption and greenhouse gas emissions.



Management Systems

AEM's Management Systems is designed to ensure: (1) compliance with applicable laws, regulations, and customer requirements, (2) conformance with

The AEM Code; and (3) identification and mitigation of operational risks associated to The AEM Code. It also acts to facilitate continual improvements.



Company Commitment

A corporate social and environmental responsibility policy statements affirming our commitment to compliance and continual improvement, endorsed by executive management and posted in the local language facility.



Management Accountability and Responsibility

We identify senior executives and company representatives responsible for ensuring the implementation of the management systems and associated programs. Senior management reviews the status of the management system regularly.



Legal and Customer Requirements

A process to identify, monitor, and understand applicable laws, regulations, and customer requirements, including the AEM Code's requirements.



Risk Assessment and Risk Management

Processes have been identified concerning legal compliance, environmental, health and safety, and labor practice and ethics risks associated with AEM's operations. Determination of the relative significance for each risk and implementing appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.



Improvement Objectives

AEM has written performance objectives, targets, and implementation plans to improve social and environmental performance, including a periodic assessment of AEM's performance in achieving those objectives.



Training

We have programs in place for training managers and employees to implement AEM's policies, procedures, and improvement objectives and to meet applicable legal and regulatory requirements.



Open Communication

We believe in open communication and direct engagement between employees and management, which is the most effective way to resolve workplace and compensation issues. All employees are encouraged to communicate openly, to share their ideas and concerns regarding working conditions and practices without fear of reprisal or adverse consequences.



Worker Feedback Participation and Grievance

We have ongoing processes that include an effective grievance mechanism to assess employees' understanding of and obtain feedback on or violations against practices and conditions covered by The AEM Code and to foster continuous improvement.



Audits and Assessments

AEM has 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.



Corrective Action Process

We have implemented a process for timely correction of deficiencies identified by internal or external assessments, inspections, investigation, and reviews.



Proper Use and Safeguard of Company Assets, Resources and Confidential Information

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

Employees are to safeguard and protect the group assets, resources, and information, including AEM, customers, suppliers, and associates and use them only for authorized and legal purposes. AEM reserves the right to take disciplinary or legal actions against offenders for unauthorized use, deleting and destroying the AEM's and its business partners' assets, resources, and confidential information.



Supplier Responsibility

We have in place a process to communicate The AEM Code requirements to suppliers and to monitor supplier compliance to the Code.



Fair and Equal Employment Opportunity, Prohibition of Harassment & Abuse

Our hiring policy is to hire and evaluate employees based on fair and objective bases, provide equal employment opportunities based on competencies, without discrimination or favoritism. All employees are to treat each other with respect and dignity. Violence, threat, harassment, and unauthorized possession or use of illegal substances in the workplace are not condoned.



Whistle Blowing Policy

AEM has a Whistle-Blowing Policy to provide a channel for employees and third parties to report and raise, in good faith and confidence, any concern about possible improprieties in financial reporting, workplace safety, or other matters. The Policy is meant to protect genuine whistle-blowers from any unfair treatment, reprisal, or discrimination resulting from their report. The Whistle-Blowing Policy's objectives are to facilitate independent investigation of such matters and take appropriate follow-up action(s).

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Consult

To report misconduct:

Leong Sook Han

Chief Financial Officer
leong.sh@aem.com.sg

Kevin Cho Form Po

Kevin.Cho@boardroomlimited.com

Contacts and feedback:

Tay Cheng Hoo

Director of Human Resource
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Cheryl Choo

Senior Manager of Human Resource
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