



# 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

# AEM CODE OF BUSINESS CONDUCT

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## Our Values



At AEM, our values are our guiding beacon



An innovative organization is a resilient one



Customer & employee intimacy for a unified organization



Agility and operational excellence for a strong execution



Ethical & Trustworthy



To provide the most comprehensive semiconductor and electronics test solutions based on the best-in-class technologies, processes, and customer support.

## Our Culture

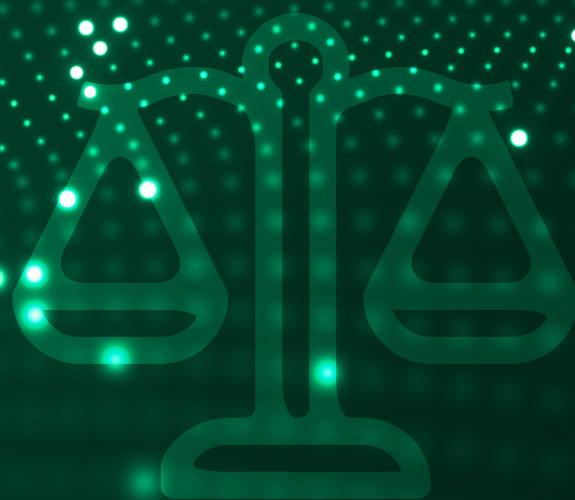
At AEM, our culture influences everything we do

- We are a **Learning Organization** - we respect our colleagues, our peers, and the competition
- We function as **ONE AEM**
- Customer Intimacy is in our DNA
- We foster a **people-centric** environment because our people are key to the company's success
- We are **empowered to challenge the status quo** and identify opportunities
- We are **nimble**, always looking to move quickly, intelligently
- We seek best-in-class governance and stewardship of the environment and our community
- We strive for **continuous improvement**
- We build our vision and purpose based on the RISE principles of Resilience, Innovation, Sustainable, Entrepreneurship

## Principles Guiding The AEM Code



AEM supports the objectives of the Responsible Business Alliance (RBA) and we are committed to complying with the RBA Code of Conduct and its standards. As a testament to this commitment, we have integrated the standards outlined in the RBA Code of Conduct into 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 shall 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 shall not 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. Monitoring, record keeping, and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws. AEM's anti bribery and anti-corruption expectations are set out in our Anti-Bribery and Anti-Corruption Policy document.



## Disclosure of Information

All business dealings shall 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 shall 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.



## Fair Business, Advertising and Competition

Standards of fair business, advertising, and competition shall be upheld.



## Intellectual Property

Intellectual property rights shall 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 shall be safeguarded.



## Protection of Identity and Non-Retaliation

Programs that ensure the confidentiality, anonymity and protection of supplier and employee whistle blowers shall 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 Minerals

AEM adopts a policy and exercises due diligence on the source and chain of custody of the tantalum, tin, tungsten, gold, and cobalt in the products we manufacture to reasonably assure that they are sourced in a way consistent with the Organisation for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas or an equivalent and recognized due diligence framework.



## Privacy

AEM commits to protect the personal information and reasonable privacy expectations of everyone we 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.



## 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.



## Prohibition of Forced Labor

Forced labor in any form, including but not limited to, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery, or trafficking of persons is not permitted. 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 all employees with a written employment agreement in their native language, or in a language the employee can understand, 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 shall be voluntary, and employees shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given, which shall be clearly stated in employees' contracts. We maintain documentation on all leaving employees.

Employers, agents, and sub-agents may not hold or otherwise destroy, conceal, confiscate identity or immigration documents, such as government-issued identification, passports, or work permits unless necessary to comply with the local law. If such holdings are necessary to comply with the local law, at no time shall employees be denied access to their documents. Employees shall not be required to pay employers' agents' or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been made, the company, agents or sub-agents must repay the employee.



## Young Workers

Child labor shall not 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. 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. AEM implements appropriate mechanism to verify the age of employees. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, are supported. 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. If child labour is identified, assistance/remediation shall be provided.



## Wages and Benefits

Compensation paid to employees shall comply with all applicable wage laws, including minimum wages, overtime hours, and legally mandated benefits. All employees shall receive equal pay for equal work and qualification. Employees shall be compensated 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 shall be within the local law's limits.



## Non-Discrimination / Non-Harassment / Humane Treatment

AEM commits to a workplace free of harassment and unlawful discrimination. There shall be no harsh and inhumane treatment, including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers, nor a threat of any such treatment.

We do not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity or 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. Disciplinary policies and procedures in support of these requirements are clearly defined and communicated to employees.

AEM provides employees with reasonable accommodation for religious practices and disability. In addition, employees or potential employees are not subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way.



## Working Hours

Working hours shall not exceed the maximum set by local law. A workweek shall not be more than 60 hours per week, including overtime, except in emergency or unusual situations. All overtime shall be voluntary. Employees shall be allowed at least one day off every seven days.



## Freedom of Association and Collective Bargaining

Open communication and direct engagement between employees and management are the most effective ways to resolve workplace and compensation issues. Employees and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.

In alignment with these principles, we respect all employees' right to form and join trade unions of their own choosing, bargain collectively, engage in peaceful assembly and also the right of employees to refrain from such activities. Where the right of freedom of association and collective bargaining is restricted by applicable laws and regulations, employees shall be allowed to elect and join alternate lawful forms of employee representations.



## 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 Health & Safety

Employee potential for exposure to health and safety hazards shall be identified and assessed, mitigated using the Hierarchy of Controls. Where hazards cannot be adequately controlled by these means, employees shall be provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks to them associated with these hazards. Gender-responsive measures shall be taken, such as not having pregnant women and nursing mothers in working conditions, which could be hazardous to them or their child and to provide reasonable accommodations for nursing mothers.



## Emergency Preparedness

Potential emergencies and events shall 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 (which shall be executed at least annually or as required by local law, whichever is more stringent), appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, 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 shall be in place to prevent, manage, track and report occupational injuries and illnesses, 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 the return of employees to work. AEM allows employees to remove themselves from imminent harm, and not return until the situation is mitigated, without fear of retaliation.



## Industrial Hygiene

Employees' exposure to chemical, biological, and physical agents shall be identified, evaluated, and controlled according to the Hierarchy of Controls. When hazards cannot be adequately controlled, employees shall be provided with and use appropriate, well-maintained, personal protective equipment free of charge. AEM provides employees with safe and healthy working environments, which shall be maintained through ongoing, systematic monitoring of employees' health and working environments. We provide occupational health monitoring to routinely evaluate if employees' health is being harmed from occupational exposures. Protective occupational health programs shall be ongoing and include educational materials about the risks associated with exposure to workplace 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 shall 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. Health information and training shall include content on specific risks to relevant demographics, such as gender and age, if applicable. Training shall be provided to all employees before the beginning of work and regularly after that. Employees are encouraged to raise safety concerns without retaliation.



## Environment

We put in place 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.

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## Environmental Permits and Reporting

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



## Pollution Prevention and Resource Conservation

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, shall be conserved by practices such as modifying production, maintenance, facility processes, materials substitution, re-use, conservation, recycling, or other means.



## Hazardous Substances

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



## Solid Waste

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



## 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 as required prior to discharge. We conduct routine monitoring of the performance of our air emission control systems.



## Materials 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 shall be characterized, monitored, controlled and treated as required prior to discharge or disposal. We conduct routine monitoring of the performance of our wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.



## Energy Consumption and Greenhouse Gas Emissions

We have established and shall report against an absolute corporate-wide greenhouse gas reduction goal. Energy consumption and all Scopes 1, 2, and significant categories of Scope 3 greenhouse gas emissions shall be tracked, documented, and publicly reported. AEM adopts cost-effective methods to improve energy efficiency and minimize energy consumption and greenhouse gas emissions.



## Management Systems

AEM's Management Systems are 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.

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## Company Commitment

We have established human rights, health and safety, environmental and ethics policy statements affirming our commitment to due diligence and continual improvement, endorsed by executive management. Policy statements are made public and communicated to employees in a language they understand via accessible channels.



## 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

We have adopted or established a process to identify, monitor, and understand applicable laws, regulations, and customer requirements, including The AEM Code's requirements.



## Risk Assessment and Risk Management

We have adopted or established a process to identify the legal compliance, environmental, health and safety, labor practice and ethics risks, including the risks of severe human rights and environmental impacts, associated with our operations. We have also determined the relative significance for each risk and implement 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, environmental, and health and safety 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.



## Communication

We have processes for communicating clear and accurate information about our policies, practices, expectations, and performance to employees, suppliers and customers.



## Worker/Stakeholder Engagement and Access to Remedy

We have established processes for ongoing two-way communication with employees, their representatives, and other stakeholders where relevant or necessary. The process shall aim to obtain feedback on operational practices and conditions covered by The AEM Code, and to foster continuous improvement. Employees shall be given a safe environment to provide grievance and feedback without fear of reprisal or retaliation.



## Audits and Assessments

AEM conducts periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of The AEM 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

We have created and maintained 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).

# AEM CODE OF BUSINESS CONDUCT

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## Consult

### To report misconduct:

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