

Truform/AHT Supplier Code of Conduct

January 2019

All suppliers will comply with the *Statutory and Regulatory* requirements for all authorities having jurisdiction in their respective industries, state, local, municipal governments. It is expected by Truform and AHT that this requirement is passed down and complied with throughout the suppliers various tiered supply chain network.

Truform/AHT Supplier Code of Conduct (hereinafter: the “Code”) stipulates what TRUFORM/AHT requires from its suppliers so that they will implement a safe working environment, respect the human rights of their employees, fulfill their responsibilities to protect the environment, and operate their business ethically. Truform/AHT may change this Code as deemed appropriate when necessary and suppliers will be notified in advance of such changes on the TRUFORM/AHT website (www.smgmfg.com). TRUFORM/AHT (and/or external auditors) may visit supplier facilities to assess compliance with this code and request improvements if needed.

1. Respecting the human rights of workers (Labor)

A. Voluntary work (prohibition of forced labor)

Suppliers shall not force labor (slavery, human trafficking, involuntary prison labor, etc.) on workers against their will. During recruitment, they shall enter into a written labor contract, drawn up in a language that workers can understand and provide a copy to the workers. When hiring foreign workers, workers shall maintain possession of their identity or immigration documents, e.g. passports and work permits, unless such holdings are required by law. Suppliers shall not limit workers’ freedom of movement unreasonably and workers shall be able to resign freely when they so desire. Suppliers shall not require workers to pay recruiting fees.

B. Prohibition of hiring children / management of juvenile workers

Suppliers shall not use child labor. “Child” refers to person under the age of 15 or under the minimum age for employment stipulated by local laws. Workers under the age of 18 shall not perform work that is likely to jeopardize their health and safety, nor shall they be required to work overtime or at night. In case of using student workers, suppliers shall provide proper support and training programs, and continuously check compliance with applicable law and regulations.

C. Prohibition of excessive overtime

Total working hours per week shall not exceed the standard pursuant to the local laws

D. Wages and welfare

Wages shall be paid in compliance with all required local laws. Wage deduction is not allowed as a disciplinary action. (However, deductions for the hours employees did not work due to tardiness will be acknowledged.)

E. Humane treatment

Suppliers shall respect the human rights of all workers, and make sure that workers are not subjected to sexual harassment, sexual abuse, physical punishment, mental/physical coercion, abusive language, unreasonable restriction or brutal or inhumane treatment.

F. Prohibition of discrimination

In employment practices, such as hiring, wages, promotion, compensation and educational training opportunities, suppliers shall not discriminate and must comply with all local laws.

Truform/AHT Supplier Code of Conduct

January 2019

2. Safe working environment (Health & Safety)

A. Occupational Safety

Suppliers shall conduct regular risk assessments to understand the possibility of workers being exposed to safety hazards and prevent risks associated with these hazards. Suppliers shall design safe processes, implement technical/administrative control and preventive maintenance, prepare safe work procedures and continuously provide training and necessary personal protective equipment (PPE) to workers, and supervise to ensure the use of such PPE according to the results of risk assessment as per local law requirements.

B. Emergency preparedness

Suppliers shall identify emergencies likely to occur and requiring high-priority responses and establish response plans. Suppliers shall make sure that it is possible to always open emergency exits outward and maintain evacuation capabilities by conducting regular evacuation drills and evaluation of the results including time records and corrective actions, in which all employees participate, at least once a year. Evacuation drills should be held for all areas including canteen and dormitory, and all shifts (Day/Night).

C. Prevention of occupational injury and illnesses.

Suppliers shall implement the following procedures to prevent occupational injury and illness and its recurrence per local laws for example: a) reporting issues; b) classifying and recording types of injury and illness; c) providing necessary treatment; d) taking corrective/ preventive measures including worker training after analyzing the root causes; e) supporting workers; return to work after treatment.

D. Managing industrial hygiene

Worker exposure to chemical, biological and physical agents is to be identified and evaluated by regular industrial hygiene tests including noise, vibration, and air quality as per local law requirements. Potential hazards are to be controlled lower than accepted levels as specified in local law through proper design, engineering and administrative controls. When hazards cannot be adequately controlled by such means, workers are to be provided with and use appropriate, well-maintained, personal protective equipment (PPE). Protective programs shall include educational materials about the risks associated with these hazards.

E. Machine safeguarding

Suppliers shall regularly conduct safety inspections of all applicable machinery and keep its records in accordance with local law. For the safety of workers, suppliers shall provide physical protective guards/barriers and safety devices (shut down when open the cover, interlocks, etc.), and conduct preventive maintenance of the machinery.

F. Cafeteria and dormitory management as applicable

Suppliers shall provide employees with clean restrooms, drinking water, and a place where they can hygienically cook/store/eat food. Dormitories when provided by suppliers or labor dispatch companies shall be clean and safe, and provide appropriate emergency exits, cooling/heating, hot water for bathing and showering, and adequate lighting, ventilation, personal lockers or space with a lock.

G. Health and safety communication

Suppliers shall provide health and safety training for all workers in a language the worker can understand. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers as required by local laws. Training is provided to all workers prior to the beginning of work and

Truform/AHT Supplier Code of Conduct

January 2019

regularly thereafter. Suppliers shall provide communication channels so that workers can raise safety concerns freely.

3. Environment-friendly workplace management (Environment)

A. Compliance with local environmental laws (permits and reporting)

Suppliers shall acquire and maintain all required environmental permits (ex: discharge/preventive facility installation/operation/change reports) as required by law and fulfill the obligation to report. Suppliers shall also stay up-to-date on the latest legal revisions and comply with them.

B. Hazardous Substance Management

Suppliers shall identify and record all chemicals and other materials as per local laws (including hazardous waste) likely to be a hazard to humans or the environment when leaked, and make efforts to safely store, transport, use, recycle, reuse and dispose them.

C. Solid Waste Management

Suppliers shall understand the characteristics of solid waste, treat them according to laws before disposing them, and make efforts to reduce them. Before selection of waste handlers and transporters, they shall be assessed including on-site inspection whether they are complying with local law.

D. Air pollution management

Suppliers shall understand the characteristics of VOC (volatile organic compounds), aerosols, corrosive gases, dust, ozone depletion materials and combustion byproducts in the processes, and treat them according to local laws before discharging them.

E. Compliance with regulations regarding hazardous substances in products and processes

Suppliers are to adhere to all applicable laws and regulations regarding prohibition or restriction of specific substances and toxic chemicals in products and manufacturing. Suppliers shall comply with all hazardous substance management requirements identified on the print or by TRUFORM/AHT.

F. Water management

All wastewater is to be treated as required by local law prior to discharge and shall be routinely monitored to ensure regulatory compliance.

4. Ethics (Please review the Truform supplier manual as well as our website www.smgmfg.com for additional information).

A. Compliance with environmental laws (permits and reporting)

It is the policy of TRUFORM/AHT that suppliers are prohibited from engaging in corrupt practices, such as receiving bribes including presents and embezzlement, and shall continuously regulate and monitor for such occurrences to ensure compliance with anti-corruption laws.

B. Information Disclosure

Truform/AHT Supplier Code of Conduct

January 2019

All transactions shall be transparent and accurately recorded in accounting books. Suppliers shall disclose, as is, information on the status of labor/health and safety/environment practices, business activities, corporate governance, financial status and performance according to related laws and prevailing industry practices.

C. Protection of intellectual property rights

Suppliers shall respect all intellectual property rights and protect such rights when transferring technology/know-how. Suppliers shall also safely protect all information of TRUFORM/AHT and their suppliers.

D. Fair trade

Suppliers shall comply with the applicable regulations and standards regarding fair trade (prohibition of collusion).

E. Protection of identity and non-retaliation

Suppliers shall operate an anonymous confidential reporting channel and whistleblower protection programs, unless prohibited by law. Suppliers should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

F. Personal information

Suppliers shall systematically protect the personal information of all interested parties (including suppliers, clients, consumers and employees). Suppliers shall also comply with personal information protection/ information security laws when collecting, storing, processing, transmitting and sharing personal information.

G. International Trade

Suppliers shall comply with all applicable international trade laws and regulations concerning any raw materials, parts, products and services delivered to TRUFORM/AHT. Every possible measure should be taken including prevention of business with sanctioned country, company, entities, or persons.

5. Materials not obtained through illegal and unethical means; Special requirements for conflict minerals

The supplier shall prevent the use of materials sourced through any illegal and unethical means. The supplier will not utilize conflict minerals in their process or products supplied to Truform/AHT.

Truform/AHT Supplier Code of Conduct

January 2019

6. Management system

A. Management's commitment and responsibilities

As responsible representative(s) for complying with this Code of Conduct, the suppliers' executive management shall review their compliance at least once a year.

B. Responding to external requirements

Suppliers shall understand the latest laws including this Supplier Code of Conduct and customer requirements and conduct regular compliance evaluations (audits). As a result of the audit, suppliers shall analyze the root causes of nonconformities, and take corrective/p measures.

C. Risk assessment

Suppliers shall understand the latest laws including this Supplier Code of Conduct and customer requirements and conduct regular compliance evaluations (audits). As a result of the audit, suppliers shall analyze the root causes of nonconformities, and take corrective/p measures.

D. Documentation and records

Suppliers shall manage relevant documents and records in accordance with relevant laws and internal document management standards.

E. Suppliers' responsibilities

Suppliers shall deliver this code to their next tier suppliers, require them to comply with it, and monitor their compliance to the code.

By signing below the supplier authorized representative confirms that they currently comply and will continue to comply with the requirements of this Supplier Code of Conduct

Supplier Company _____

Authorized Representative _____

Title of Authorized Representative _____

Date: _____