

AZURE PRECISION (M) SDN BHD

CODE OF CONDUCT

AZ-CSER-14

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1. Introduction

Azure is committed to conducting its business in an ethical, legal and socially responsible manner.

This Code of Conduct (“Codes”) serves as a guide to proper business conduct for all in Azure pertaining to ethical, social, environmental, and legal practices. Azure is expected to always observe and comply with the standards set out in the Codes and communicate this to the employees and related business partners.

2. Standards of Business Conduct

Azure will ensure that business is conducted in all respects according to rigorous ethical, professional, and legal standards. We will:

- Comply with all the applicable laws, rules, regulations, codes and ethical standards of the countries, states, and localities in which we operate.
- Consent and adhere to this Code as well as Azure’s published policies and guidelines, including, but not limited to, Anti-Bribery & Anti-Corruption and other relevant provisions.

3. Labour Practices

It is expected that Azure to respect and support the protection of human rights of employees and others affected by its activities.

a) Freely Chosen Employment — Fair and No Forced Labour

Azure shall also ensure employment must be freely chosen, that:

- i. Azure will not use any form of forced, bonded (including debt bonded), indentured or involuntary prison labour, slavery, or human trafficking. Azure will hire migrant workers directly where possible. Where agents are used, Azure shall only use legally recognized employment agencies with valid license and that the recruitment, whether directly or indirectly, is in compliance with applicable laws and regulations.
Refer to [AZ-CSER-01-FORCED LABOUR](#)
- ii. No employee shall be compelled to work through force or intimidation of any form. Employees’ freedom of movement shall not be restricted, nor shall employees be prevented from terminating employment.
- iii. Employees shall not be required to surrender any government-issued identification, passports, or work permits as a condition of employment unless holding is required by law. They must have full access to the original documents at all time.

- iv. Employees must be provided with a written employment agreement in their native language stated all terms and conditions of employment that in compliance with applicable laws and regulations as well as this Codes.
- v. No fee shall be paid by any employee for the purpose of being hired or as a condition of employment. If any such fees are found to have been paid by the employees, it shall be repaid by Azure to the employees within 90 days following verification.
- vi. Employees shall not be mandated to work overtime hours. All overtime work shall be performed voluntary by the employees.
- vii. Employees' wages shall not be withheld except as mandated by law.
- viii. Accommodation provided to employees must be safe, healthy, and clean with approval obtained from the relevant authority as well as fulfilling the accommodation standards.

b) Child Labour Avoidance

Azure will not employ any child labour with age less than 15 years old (by birthday). For any young person less than 18 years old (by birthday) if employed, shall not be assigned with heavy or hard work, and not to perform night shift work or work in hazardous conditions. Refer to [AZ-CSER-02 CHILD LABOUR](#)

c) Working Hours

Azure will ensure that their employees' working hours shall not exceed legal limit and overtime shall be voluntary. Where possible, total work hours per week should not be more than 60 hours inclusive of overtime except in emergency or unusual situations. All employees shall be allowed at least one day rest in every seven-day period, and shall receive paid leave in accordance of the law. Refer to [Employee Handbook](#)

d) Wages and Benefits

Wages shall be equal or exceed the minimum wage required by law. Legally mandated benefits including leaves, statutory holidays, and statutory contributions shall be provided. Employees shall be compensated for overtime hours at the rate legally required. There shall be no unlawful deduction or withholding of employees' wages unless required by the law. Refer to [Employee Handbook](#)

Wages shall be paid to the employees in a timely manner with clear and understandable wage statement for each pay period.

e) Humane Treatment

Azure will treat all employees with respect and dignity, where all forms of bullying and harassment must be eliminated including but not limited to public shaming, gender-based violence, sexual harassment or abusive, offensive languages, insulting and teasing, corporal punishment, mental or physical coercion, bullying, verbal or physical abuse or harassment & etc. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to all employees.

Refer to [AZ-CSER-07 DISCIPLINARY](#)

f) Non-discrimination

Azure will not discriminate in recruitment and employment practices. Decisions about hiring, salary, benefits, training opportunities, work assignments, advancement, discipline and termination shall not be on the basis of personal characteristics or beliefs, such as race, national origin, gender, religion, age, disability, marital status, parental status, association membership, sexual orientation or political opinion.

Equal opportunities, clear and fair terms of employment shall be offered for all present and potential future employees. Employees or potential employees shall not be subjected to medical tests or exams that could be used in a discriminatory way.

Employees shall be provided with reasonable accommodation for disability and religious practices.

Refer to [AZ-CSER-04 DISCRIMINATION](#)

g) Freedom of Association and Collective Bargaining

The employees shall have lawful rights to exercise freedom of association and collective bargaining and shall not be interfered with, penalized or retaliated against.

Azure will respect the right of the employees 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 the employees to refrain from such activities. Refer to [AZ-CSER-01-FORCED LABOUR](#)

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.

h) Disciplinary Practices and Grievance Handling

No employee shall be subjected to any physical, sexual, psychological, verbal or mental punishment due to misconducts. No monetary fines or penalties shall be imposed as disciplinary measure. Refer to [AZ-CSER-07 DISCIPLINARY](#) and [AZ-CSER-08 GRIEVANCE](#)

An effective grievance procedure and non-retaliation policy that permits them to lodge complaints or to express their concerns about workplace conditions without fear of retaliation shall be in place.

4. Health & Safety

Azure shall provide safe and hygienic working environment to the employees, and occupational health and safety practices to prevent accidents and injuries shall be promoted. Written information on health and safety shall be clearly communicated to employees.

Health and safety standard includes the following:

a) Occupational Safety

Azure shall identify and assess workplace hazards (e.g., chemical, electrical, and other energy sources, fire, vehicles, and fall hazards) and control these through proper design, engineering and administrative controls, preventative maintenance and safe work procedures and training. Where hazards cannot be adequately controlled by these means, employees are to be provided with appropriate, well-maintained, personal protective equipment. Reasonable steps should be taken to protect pregnant women/nursing mothers.

b) Emergency Preparedness.

Azure will identify, assess, and be prepared for emergency situations by implementing emergency plans and response procedures including emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans.

c) Occupational Injury and Illness

Azure will ensure that procedures and systems are 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 return of workers to work.

d) Industrial Hvgiene

Azure employee's exposure to chemical, biological and physical agents shall be identified, evaluated, and controlled according to the Hierarchy of Controls. When hazards cannot be adequately eliminated or controlled, workers shall be provided with and use appropriate personal protective equipment.

e) Physically Demanding Work

Azure employee's 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.

f) Machine Safeguarding

Azure will ensure that production and other machinery are evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where the machinery presents an injury hazard to employees.

g) Sanitation, Food, and Housing

Azure will provide employees with access to clean toilet facilities, drinkable water and clean food preparation, storage, and eating facilities. Worker dormitories provided by Azure, or a labour agent will be clean and safe, and provided with appropriate emergency way out, hot water, adequate lighting, heat and ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

h) Health and Safety Communication.

Azure will provide employees with appropriate workplace health and safety information and training in the language of the employees or in a language the employees can understand for all identified workplace hazards that they 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 shall be provided to all workers prior to the beginning of work and regularly thereafter. Employees shall be encouraged to raise any health and safety concerns without retaliation.

5. Environmental Practices

Azure will make progressive improvement on the environment of the premises and require the same from their suppliers and subcontractors. This includes integrating principles of sustainability into business decision, responsible use of resources, adoption of clean production and pollution prevention measures, and producing products and technologies according to the principles of sustainability.

a) 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 shall be followed.

b) Pollution Prevention and Resource Reduction

Azure will optimize its consumption of natural resources, including water, fossil fuels, minerals, and virgin forest products by conserving these or by practice such as modifying production, maintenance and facility processes, materials substitution, reuse, conservation, recycling or other means. And measures will be implemented to prevent pollution and minimize generation of waste and emissions at the source or by practices such as adding pollution control equipment; modifying production, maintenance and facility processes; or by other means.

c) Hazardous Substances

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

d) Solid Waste

Azure will implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous).

e) Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion byproducts generated from operations are to be categorized, routinely monitored, controlled and treated as required prior to discharge. Routine monitoring of the performance of its air emission control systems will be conducted.

f) Materials Restrictions and Product Content.

Azure will adhere to applicable laws, regulations and requirements regarding prohibition or restriction of specific substances in products and manufacturing, including labelling for recycling and disposal.

g) Water Management.

Azure will implement a water management program that documents, categorization, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewaters shall be categorized, monitored, controlled, and treated as required prior to discharge or disposal.

h) Energy Consumption, Climate Change and Greenhouse Gas Emissions.

Azure will identify, monitor and minimize relevant greenhouse gas (GHG) emissions and energy consumption from operations, while looking for cost-effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

6. Ethical Practices

Azure will conduct business in accordance with the highest standard of ethical behaviors and in accordance with applicable laws and regulations. Azure will conform to the requirements in the following areas:

a) Business Integrity, Anti-bribery and Anti-corruption

All forms of bribery, corruption, extortion, and embezzlement are prohibited. Gifts or favors or bribes or other means of obtaining undue or improper advantage shall not be promised, offered, authorized, given, or accepted. It might create a sense of obligation, compromise professional judgment or create the appearance of doing so.

No funds or assets shall be paid, loaned or otherwise disbursed as bribes, "kickbacks", or other payments designed to influence or compromise the conduct of Azure.

Azure will comply with applicable anti-bribery and anti-corruption laws (including but not limited to the United States (U.S.) Foreign Corrupt Practices Act, as amended, and the United Kingdom (U.K.) Bribery Act) and must have adequate policies and procedures in place to enforce and monitor compliance with such laws. Refer to [AZ-CSER-09 BUSINESS INTEGRITY](#) and [AZ-CSER-10 ANTI-BRIBERY & ANTI-CORRUPTION](#)

b) Conflict of Interest

Azure employees will avoid actual, potential or perceived conflicts of interest with suppliers or customers. If occur, employees must disclose such a conflict, so that appropriate steps are taken to manage the situation. Refer to [AZ-CSER-11 WHISTLE BLOWING](#)

c) Disclosure of Information

All business dealings should be transparently performed and accurately reflected on Azure business books and records. Information regarding Azure's labour, health and safety, environmental practices, business activities, corporate structure, and financial situation, performance and outlook must be disclosed in accordance with applicable law and regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices are unacceptable.

d) Intellectual Property

Azure will respect the intellectual property rights of others, including its affiliates and business partners. Azure will take appropriate steps to safeguard and maintain confidential and proprietary information and shall use such information only for the purposes specified for use. Azure will observe and respect all patents, trademarks and copyrights and comply with all requirements as to their use as established. Azure will not transmit confidential or proprietary information via the internet unless such information is encrypted accordance with the minimum standards of the industry.

e) Fair Business, Advertising and Competition

Azure will conduct their business in full compliance with anti-trust and fair competition laws, and disclose information regarding business activities, structure, financial situations, and performance in accordance with applicable laws. Standards of fair business, advertising and competition shall be upheld.

f) Protection of Identity and Non-Retaliation

Azure will implement and maintain programs that ensure the confidentiality, anonymity, and protection of all whistleblowers. There will be a communicated process for the employees to be able to raise any concerns without fear of retaliation.

g) Privacy

Azure is committed to protecting the reasonable privacy expectations of personal information of everyone they do business with, including its suppliers, customers, consumers and employees. Azure shall comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

h) Responsible Sourcing of Minerals

Azure is expected to have a policy on responsible sourcing of minerals and exercise due diligence on source and custody in respect of conflict minerals (e.g. tin, tantalum, tungsten, and gold) in the products they manufacture do not directly or indirectly finance or benefit armed groups or contribute to serious human rights abuses, or severe health and safety risks and negative environmental impacts.

7. Management System

Azure will develop, maintain, and implement policies consistent with the Codes and maintain appropriate management systems and documentation to demonstrate compliance with the Codes. The management system should cover the aspects of commitment, management accountability, legal and customers' requirements, risk assessment and management, improvement objectives, training and communication to employees and related parties, employee feedback, participation and grievances, audit and assessments as well as corrective action process.

All documents and records shall be created and maintained to verify compliance with the Codes and with all applicable laws and regulations and shall be made available upon request.

8. Monitoring and Reporting Concern

Azure or its representatives (including its authorized third party) may engage in monitoring activities to confirm compliance to this Codes, including on-site audits and inspections of facilities, use of questionnaires, review of publicly available information, or other measures necessary to assess performance and comply to requirements.