



*Passion to grow your Business*™



Business Code of Conduct and Ethics

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**V.S. Group of Company**

**PT. VS TECHNOLOGY  
INDONESIA**

Business Code of Conduct & Ethics

Manual

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## Business Code of Conduct and Ethics

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	Business Code of Conduct & Ethics	
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## Business Code of Conduct and Ethics

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At PT.VS Technology Indonesia, we embrace corporate social responsibility as an integral part of carrying out our business. We are always mindful of the importance of environmental sustainability and are committed to be a benefit to the larger society as well as to safeguard the welfare of our employees.

We are committed to conducting our operations in a sustainable way, and in doing so, we aim to apply the highest ethical standards. Our suppliers play an important role as enablers of our sustainable growth and overall success. In support of this goal, we are committed to follow the Business Code of Conduct & Ethics (“Code of Conduct”) and we also require our suppliers to explicitly acknowledge and adhere to the principles embodied in the Code of Conduct and to ensure that any sub – contractors used by the suppliers will also comply with these principles.

### ENVIRONMENT

We remain compliant with rules and regulations across various aspects, such as noise, waste water and air quality monitoring, ducting systems for exhaust ventilation, and handling of all hazardous substances. Our procurement and manufacturing practices are in line with “green” principles. We minimize the impact on the environment by reducing materials consumption through the act of recycling all waste materials. We manage and dispose all waste in a responsible manner. For instance, we built a scheduled waste storage with secondary containment to prevent spillages into inland water and an oil trap filtration system to filter cooking oil and other solids from the canteen’s waste water.

### WELFARE OF THE EMPLOYEES

We endeavor to ensure a safe and healthy working environment for our employees. We ensure that every employee is treated fairly. We value our employees by enhancing our employees’ skills and knowledge through staff training and development.

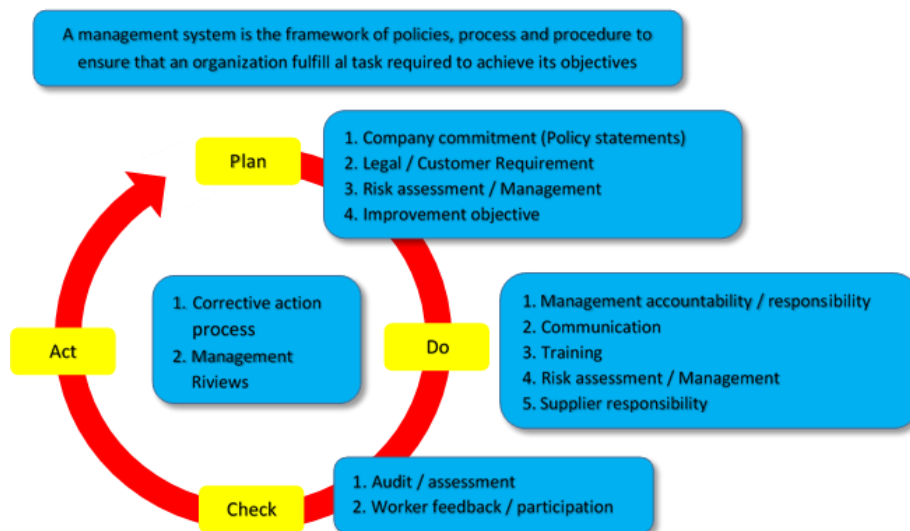
### COMMUNITY

We endeavor to comply with the best practices under the Indonesian Code on Corporate Governance. A sound system of corporate governance is in place to enhance and protect the shareholders’ value for the long term.

### E1. Company Commitment

Code of Conduct and Ethics provides guidelines on how to act with integrity and make the right choices. All employees are accountable for knowing and follows employ guidelines as follows:

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VS Management System, has been designed ensuring:

- Compliance with applicable laws, regulations and customer requirements related to the participant's operations and products
- Conformance with this Code of Conduct
- Identification and mitigation of operational risks related to this Code of Conduct
- It should also facilitate continual improvement

VS Corporate social and environmental responsibility policy statements affirming Auditee's commitment to compliance and continual improvement, endorsed by executive management and posted in the facility in the language of the employee or in a language the employee can understand.

Documentation, Management & Employee Review

- Adequate and effective policies/Code(s) that are endorsed by executive management, covering: A) Labor B) Health & Safety C) Environment and D) Ethics.
- An effective governance structure that involves the board of directors.
- Management Systems is included in company code of conduct.
- Compliance monitoring process is in place.

### E.2. Management Accountability and Responsibility

Top management and management representative[s] responsible for ensuring implementation of the management systems and associated programs.

- Senior management shall reviews the status of the management system on a regular basis where responsible, accountable, consulted and informed to appoint employees.
- Responsibilities and authorities are adequately and effectively defined and assigned for all employees for implementation of management systems, and for compliance with laws, regulations and codes pertaining to:
  - A) Labor B) Health & Safety C) Environment and D) Ethics.
- An adequate and effective management review and continuous improvement process for
  - A) Labor, B) Health & Safety, C) Environment and D) Ethics performance and management systems are established.

### E.3. Legal and Customer Requirements

VS management has established an adequate and effective compliance process to monitor, identify, understand and ensure compliance with applicable laws and regulations and customer requirements pertaining to:

A) Labor B) Health & Safety C) Environment and D) Ethics.

### E.4. Risk Assessment and Risk Management



VS has established an adequate and effective risk management process to identify, assess, and minimize /mitigate/control its risks in the areas of:

A) Labor B) Health & Safety C) Environment and D) Ethics.

### E.5. Improvement Objectives

- a) VS shall continually improve the effectiveness of its quality management system through the effective application with an adequate and effective performance management process for A) Labor B) Health & Safety C) Environment and D) Ethics.
- b) VS has established in line with CSR policy objectives, auditing and data analysis, corrective and preventive actions and management reviews. The continual improvement process begins with the establishment of our corporate policies and objectives for improvement, based on objectives contained in our business plan and customer targets and goals. Customer satisfaction, internal audit data, process and product performance data,
- c) The overall effectiveness of continual improvement program, including corrective actions taken, as well as the overall progress towards achieving corporate level improvement objectives are assessed through our management review process.

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### E.6. Training

- a) VS has established an adequate and effective training process for all employees on all policy/procedures/job related aspects and performance targets related to A) Labor, B) Health and Safety C) Environment, and D) Ethics
- b) A formal training program for all employees including:
  - New employee orientation
  - Training needs analysis
  - Training plan
  - Training material
  - Training records
  - Training frequency
  - Training efficiency verification

### E.7. Communication

- a) VS has established an adequate and effective employees, supplier and customer communication /reporting process for  
A) Labor B) Health & Safety C) Environment and D) Ethics policies, practices and performance.
- b) Include both internal and external communications
- c) Formal internal communication plan to all employees, management and board of directors.
- d) Formal external communication plan to customers and suppliers.

### E.8. Employee Feedback, Participation and Grievance

- a) VS has established an adequate and effective grievance/complaint process where work related and Code of Conduct related grievances or complaints without fear of reprisal or intimidation, it can be confidentially communicated.
- b) An adequate and effective process to solicit and encourage worker participation, input and feedback for improvement.

### E.9. Audits and Assessments

VS has establish a procedure to define the responsibility and requirement for planning and conducting audits and assessments, establishing records and reporting results. Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code of Conduct and customer contractual requirements related to social and environmental responsibility.

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### E.10. Corrective Action Process

VS shall ensure process of Code of Conduct through effective implementation of corrective action at all areas. Any deficiencies identified shall be properly dealt with an adequate and effective corrective action process that identifies root cause and close any non-conformances including any legal non-compliances identified by internal or external assessments, inspections, investigations and reviews.

### E.11. Documentation and Records

- a) VS has creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.
- b) An adequate and effective documentation and records process with appropriate levels of access to ensure privacy for A) Labor, B) Health & Safety, C) Environment, and D) Ethics
- c) Documentation systems which satisfies such as:
  - Regulatory (including retention laws)
  - Customer requirements
  - Includes a documentation and record keeping procedure. The following are just some examples:
    - Wages paid and hours worked
    - Verification of worker age
    - Financial audit reports
    - Non-disclosure agreements (NDAs)
    - Contract terms and conditions
    - Assessment and Audit reports and compliance evaluations
    - Corrective action with gap closure plans/results

### E.12. Supplier Responsibility

- a) VS shall established process to communicate Code of Conduct requirements to suppliers and to monitor supplier compliance to the Code of Conduct.
- b) VS Code of Conduct requirements have been communicated to the next tier major Suppliers.
- c) An adequate and effective process to ensure that the suppliers implement the Code of Conduct and communicated, where necessity it shall be communicated to the next tier suppliers too.
- d) All process required by VS shall be documented a procedure on implementation of the Code of Conduct to suppliers (including labor agents and other contractors).
- e) VS shall ensure a process to communicate to next tier suppliers implementing the Code of Conduct.

VS shall ensure that the Code of Conduct is in compliance with CSR policy and monitoring process is in place where applicable.

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### Scope

VS Business Code of Conduct & Ethics are specifically for use in Indonesia. It does not describe all applicable laws of VS policy, or give full details on any particular law or policy. It does not constitute legal advice. It does not constitute or create a contract of employment. VS reserves the right to modify, revise, cancel or waive any policy, procedure or condition without notice and without revision of the Code. Moreover, the provisions of the Code may be modified by VS to adapt to local laws and conditions.

### A) Labor

VS is committed to upholding the human rights of their employees, and to treat them with dignity and respect in accordance to Law of Indonesia. This policy shall apply to all employees including temporary, migrant, intern, contract, direct employees, and any other type of employees.

#### A1) Freely Chosen Employment

VS Human Resource department shall screen through all applicants during the interview in order to prevent any incidence of forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery or trafficking of persons. 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 restrictions on the employees' freedom of movement in the facility and on entering or exiting company-provided facilities. As part of the hiring process, employees must be provided with a written Employment Agreement in the form of appointment letter or an employment contract, whichever is applicable. Where necessary it shall be translated in their native language that contains a description of the terms and conditions of employment prior to the employee departing from his or her country of origin. All work must be voluntary and workers shall be free to leave work at any time or terminate (tender resignation) their employment in accordance to the Employment Agreement duly acknowledge by the employee prior to their employment. VS may not hold any employee's passports or work permits, unless required for medical and for the renewal of work permits. The employees of VS shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment, effective May 2018. If any such fees are found to have been paid by employees, such fees shall be repaid to the employees.

#### A2) Young Workers

VS shall not hire anyone under the age of 18 years old ("Young Workers").

#### A3) Working Hours

The working hours are not more than 60 hours per week, including overtime, except in cases of emergency or unusual situations. We will allow employees to move freely within their designated work areas during work hours, including being allowed access to drinking water and toilet facilities. Employees will be allowed to leave the facility during meal periods or after work hours. Employees shall be allowed at least one day off after every six continuous working days and any overtime hours worked is voluntary.



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### A4) Wages and Benefits

All employees of all levels will obtain an Employment Agreement that will be acknowledged by both parties; VS and the employee. Wages are paid to the employees and are in compliance with all applicable Indonesian wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with laws of Indonesia, workers shall be compensated for overtime at pay rates greater than the stated regular hourly rates. Deductions from wages as a disciplinary measure will not be permitted. VS shall set the wages for their employees in accordance to the reasonable market rate for the industry and the minimal wage shall be as specified by the laws of Indonesia. In addition, all wages for designated overtime hours including public holiday overtime shall also be in accordance to the laws of Indonesia. For each pay period, employees shall be provided with a timely pay slip that includes sufficient information to verify accurate compensation for work performed.

### A5) Humane Treatment

VS recognition of no harsh and inhumane treatment including but not limited to any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of employees; nor is there to be the threat of any such treatment. VS has established a set of requirements for the conduct of its employees within its premises to be adhered to. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to the employee during orientation.

### A6) Non-Discrimination

VS are committed to a workforce that is free of harassment and unlawful discrimination. All employees shall be treated equally and fairly regardless of race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training.

Employees shall be provided with reasonable accommodation for religious practices where required. In addition, VS shall not treat employees or potential employees to medical tests or physical exams that could be mismanage in any discriminatory way whatsoever.

### A7) Freedom of Association

In conformance with the laws of Indonesia, VS shall respect the right of all 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 employees to refrain from such activities. 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.



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### B) HEALTH & SAFETY

VS has established an ongoing practice in minimizing the incidence of work-related injury and illness. VS recognizes that a safe and healthy work environment enhances the quality of products and services, consistency of production and employee retention and morale. VS has also established an ongoing training and education for their employees in identifying and solving health and safety issues in the workplace.

#### B1) Occupational Health and Safety

VS shall identify, develop and establish standard operating procedures in regards to the exposure of employees to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, and fall hazards). Potential safety hazards may be minimize through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tag out), and ongoing safety training. Where hazards cannot be adequately controlled by these means, employees are to be provided with appropriate, well-maintained, personal protective equipment and relevant educational materials. Employees shall be encouraged to raise safety concerns to VS by way of anonymous suggestion boxes located throughout the facility, designated helplines or by direct feedback to a safety and health officer or committee member.

#### B2) Emergency Preparedness and Response

VS has identified and assessed potential emergency situations and events. In response, VS endeavors to minimize the impact 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. Such plans and procedures shall focus on minimizing harm to life, the environment and property.

#### B3) Occupational Injury and Illness

VS has established procedures and facilities for incidences such as accident, dangerous occurrence, occupational poisoning and disease reporting system in order to prevent, manage, track and report occupational injury and illness. This shall include provisions for VS to encourage employees to report comments, suggestions and feedback, 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 employees to work.

#### B4) Industrial Hygiene

VS shall establish standard operating procedures for exposure to chemical, biological and physical agents where safety concerns are identified, evaluated, and controlled. Engineering or administrative controls must be used to control overexposures where applicable. When hazards cannot be adequately controlled by such means, employees' health and safety are to be protected by appropriate personal protective equipment.

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### B5) Physically Demanding Work

Employees' exposure to hazards of physically demanding tasks, including manual handling of material and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks are to be identified, evaluated and controlled.

### B6) Machine Safeguarding

Production areas and machineries shall be evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained in cases where the machinery presents an injury hazard to employees.

### B7) Sanitation, Food, and Housing

VS shall contract the support of cleaning and canteen operators to provide ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities for all employees. All dormitories provided by VS shall be maintained, cleaned regularly and kept safe. VS shall also ensure that all its dormitories are provided with appropriate emergency egress, water for bathing and showering, adequate ventilation, and reasonable personal space along with reasonable entry and exit privileges.

### B8) Health and Safety Communication

VS shall provide employees with appropriate workplace health and safety training in their primary language. Health and safety related information shall be clearly posted at all facilities. All matters related to accident, dangerous occurrence, occupational poisoning and disease shall be reported to local authorities as required by the laws of Indonesia.

## C) Environmental

VS recognized that environmental responsibility is integral to producing world class products. In VS manufacturing operations, adverse effects on the community, environment and natural resources are minimized through standard operating procedures that are constantly updated and improved while safeguarding the health and safety of the public.

### C1) Environmental Permits and Reporting

All required environmental permits (e.g. discharge monitoring), approvals and registrations are obtained, maintained and kept current, and their operational and reporting requirements are in accordance to the laws of Indonesia.

### C2) Pollution Prevention and Resource Reduction

VS has identified resources and generation of waste of all types, including water and energy, which are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials where applicable.

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### C3) Hazardous Substances

Chemicals and other materials which poses a hazard if released to the environment are identified and managed. By engaging the support of a licensed contractor for the safe handling, movement, storage, use, recycling or reuse and disposal. VS shall conduct annual audits on the licensed contractor to ensure compliance to the laws of Indonesia.

### C4) Solid Waste

VS has implemented a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous) such as:-

- Adequate and effective training for those that work with solid waste;
- Metrics and system to track, report and improve on targets;
- Solid Waste (including recycling) is included in company environmental policy; and
- Adopting compliance monitoring process.

### C5) Air Emissions

VS have engaged contractors to obtain samples of air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations. VS shall routinely monitor, control and treat as required prior to discharge. Routine monitoring of the performance of its air emission control systems shall be conducted as required.

### C6) Materials Restrictions

VS adheres to all applicable laws of Indonesia, regulations and customer requirements regarding prohibition or restriction of specific substances of scheduled waste in products and manufacturing, including labeling of scheduled waste for recycling and disposal. VS shall be responsible for the proper management of scheduled waste and its disposal. VS has adequate and effective programs in place for Materials Restrictions as a formal part of the procurement and manufacturing processes such as:

- RoHS (Restriction of Hazardous Substances),
- REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) - Optional and
- WEEE (Waste of Electronic and Electrical Equipment) – Optional

### C7) Water Management

VS has implemented a systematic approach to prevent contamination of water runoff. Illegal discharges and spills are prevented from entering water drains by a proper draining system which shall be checked periodically in accordance to the laws of Indonesia.

### C8) Energy Consumption and Greenhouse Gas Emissions

Energy consumption and greenhouse gas emissions are to be tracked and documented, at all VS facilities and offices. VS shall establish a management plan using cost- effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.



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### D) Ethics

VS shall continuously work to meet its social responsibilities and to be a leading example in this region, by achieving the highest standards of ethics including:

#### D1) Business Integrity

VS shall uphold the highest standards of integrity in all business interactions. PT. VS Technology Indonesia has adopted a zero tolerance policy prohibiting any and all forms of bribery, corruption, extortion and embezzlement. All business dealings should be transparently performed and are accurately reflected on VS's business books and records. Monitoring and enforcement procedures have been implemented to ensure compliance with anti-corruption laws in Indonesia.

#### D2) No Improper Advantage

VS shall work towards the prevention of bribes or other means of obtaining undue or improper advantage which 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, in order to obtain or retain business or direct business to any person, or otherwise gain an improper advantage. If proven, these cases shall be dealt with through disciplinary actions.

#### D3) Disclosure of Information

VS has establish policies for the execution of non-disclosure agreements between VS and Suppliers pertaining to any information regarding labor, health and safety, environmental practices, business activities, structure, financial situation and performance. These information are to be disclosed in accordance to the terms and conditions of the non-disclosure agreement. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

#### D4) Intellectual Property Rights

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 information is to be safeguarded.

VS employees acknowledges and agrees that they shall have no right or claim to any intellectual property that the employee develops individually or collectively with other persons or employees during the term of their employment with VS. All intellectual property rights of whatever nature including but not limited to moral rights in any work undertaken or produced by the employee in connection with the employee's services shall vest in and belong to VS or customer as the case may be, free from any interest of the employee. The employee shall promptly and fully disclose to VS all intellectual properties including notes, drawings, data and other information in the course of employment with VS.



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### D5) Fair Business, Advertising and Competition

VS upholds the standards of fair business, advertising and competition.

### D6) Protection of Identity and Non-Retaliation

VS have implemented facility wide programs ensuring the confidentiality, anonymity and protection of supplier and employee whistleblowers, which are continually maintained, unless prohibited by rules and regulations.

### D7) Responsible Sourcing of Minerals

VS have establish policy to reasonably assure any 3TG materials which consist of tantalum, tin, tungsten and gold used 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. VS shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available annually, shared to customers and retrievable at all times when needed.

### D8) Privacy

VS shall be committed to protecting the reasonable expectations of privacy pertaining to personal information of any party, including suppliers, customers, consumers and employees through various channels VS shall ensure compliance with privacy and information security laws and regulatory requirements in Indonesia when personal information is collected, stored, processed, transmitted, and shared.



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**ACKNOWLEDGEMENT AND ACCEPTANCE FORM**

I, \_\_\_\_\_ on behalf of, \_\_\_\_\_ hereby acknowledged that we had received the Code of Conduct on \_\_\_\_\_ from PT. VS Technology Indonesia. We hereby agree to adhere to the principles embodied in the Code of Conduct and shall ensure that any subcontractors used by us shall also comply with these principles.

**Acknowledged & Accepted By:**

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**Name** : \_\_\_\_\_

**Designation** : \_\_\_\_\_

**Identification no.** : \_\_\_\_\_

**Company Chop** : \_\_\_\_\_