

Nanometrics' Supplier Conduct Principles

Nanometrics recognizes a responsibility to hold ourselves, and our suppliers, to high standards of behavior. This means complying with all applicable laws and regulations. We make a strong effort to work with suppliers to encourage sound practices and develop sound global markets. We strive to maintain an effective channel of communications with suppliers to set expectations. These principles, described below, establish for our suppliers the minimum standards we expect from them as a condition of doing business with Nanometrics. Compliance with these principles is a requirement for maintaining Nanometrics supplier qualification. We will adhere to this policy in our selection process and will seek ongoing compliance by actively monitoring performance.

Forced or Involuntary Labor

Nanometrics' Suppliers will not use forced or involuntary labor of any type (e.g., forced, bonded, indentured or involuntary prison labor); employment must be voluntary.

Child Labor

Nanometrics' Suppliers will not use child labor. The term "child" refers to any person employed under the age of 15 (or 14 where the law of the country permits), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. We support the use of legitimate workplace apprenticeship programs which comply with all laws and regulations applicable to such apprenticeship programs.

Wages and Benefits

Nanometrics' Suppliers will, at a minimum, comply with all applicable wage and hour laws and regulations, including those relating to minimum wages, overtime hours, piece rates and other elements of compensation, and provide legally mandated benefits.

Working Hours

Nanometrics' Suppliers will appropriately compensate for overtime worked. Workers shall not be required to work more than 60 hours per week, including overtime, except in extraordinary business circumstances with their consent. In countries where the maximum work week is less, that standard shall apply. Employees should be allowed at least one day off per seven-day week.

Nondiscrimination

Nanometrics' Suppliers will not discriminate in hiring and employment practices on grounds of race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, gender identity or expression, marital status, pregnancy, political affiliation or disability.

Respect and Dignity

Nanometrics' Suppliers will treat all employees with respect and will not use corporal punishment, threats of violence or other forms of physical coercion or harassment.

Freedom of Association

Nanometrics' Suppliers shall respect the legal rights of employees to join or to refrain from joining worker organizations, including trade unions. Suppliers have the right to establish favorable employment conditions and to maintain effective employee communication programs as a means of promoting positive employee relations that make employees view third-party representation as unnecessary.

Health and Safety

Nanometrics' Suppliers will provide their employees with a safe and healthy workplace in compliance with all applicable laws and regulations. Consistent with these obligations, Nanometrics' Suppliers must have and implement effective programs that encompasses life safety, incident investigation, and chemical safety, ergonomics, etc., and provide the same standard of health and safety in any housing that is provided for employees. Suppliers should strive to implement management systems to meet these requirements.

Conflict Minerals

Nanometrics takes very seriously the allegations that metals (gold, tantalum, tin, and tungsten) mined in the Democratic Republic of the Congo (DRC) or neighboring countries ("covered countries") might be used in the electronics supply chain, and that profits from the sale of these metals may be fueling human rights atrocities in the eastern region of the DRC ("conflict minerals"). Nanometrics' Suppliers will not knowingly purchase materials that contain conflict minerals and that directly or indirectly finance or benefit armed groups in the covered countries. Suppliers shall take all reasonable steps to identify and assess risk in its supply chain and will make continued efforts to ensure that conflict minerals that directly or indirectly finance or benefit armed groups in the covered countries are not used in products sold or supplied to Nanometrics.