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ETHICAL POLICY

OF

Vandagraph Sensor Technologies Ltd.

1 INTRODUCTION

This Ethical Policy serves as a guideline for all the company's business practices. Through its business practices the company seeks to support the principles of the Universal Declaration of Human Rights (UDHR). The company's position on Human Rights reflects the core requirements of the UDHR, such as freedom from torture, unjustified imprisonment, unfair trial and other oppression. It also includes freedom of expression, religion and political or other representation.

2 HUMAN RIGHTS

On the basis of this policy the company will not provide support or work with:

- 2.1 businesses or organizations which fail to uphold basic human rights within their sphere of influence. The company recognises that businesses have the opportunity to ensure that human rights are upheld in all those aspects of their operations that they could reasonably expect to control. These can include:
 - direct control, such as labour conditions within their factories, for example, or use of land for their operations;
 - more indirect influence, for example, companies occupying positions of strategic importance within a country often have opportunities to affect positive social change beyond their own operations.
- 2.2 businesses or organizations with links to an oppressive regime regimes where basic human rights, as set out in the UDHR, are denied in a systematic manner over time. By "links to an oppressive regime" the company means:
 - businesses operating in states governed by oppressive regimes, whose activities are considered to support or benefit the regime, usually at the expense of the indigenous population;
 - businesses using state security forces or supplying arms to state security forces within an oppressive regime.

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3 ARMS TRADE

- 3.1 The company will not provide support or work with businesses or organizations involved in the manufacture or transfer of armaments to oppressive regimes, including:
 - companies which manufacture for or sell to oppressive regimes systems (or products) that kill, maim or destroy;
 - companies who issue licences for the production of armaments for oppressive regimes;
 - individuals or organisations involved in the brokerage of armaments to oppressive regimes;
 - companies which export products to oppressive regimes that, while not designed to kill, maim or destroy, are parts for equipment which have a battlefield application or are essential to the operation of a weapon, such as radar and electronic warfare, military communications and armour.
- 3.2 The company will not provide support or work with businesses or organizations involved in the manufacture of torture equipment or other equipment that is used in the violation of human rights, including business which:
 - manufacture torture equipment, including electroshock batons and leg irons;
 - manufacture equipment used for execution purposes;
 - manufacture and export to oppressive regimes equipment that could be used in the violation of human rights, including water canons, security equipment and surveillance equipment.

4 GLOBAL TRADE

The company advocates and supports the Fundamental International Labour Organization Conventions. These Conventions are the most widely-accepted standards for minimum labour rights and cover the use of forced labour, use of child labour, collective bargaining and freedom of association. The company will seek to support businesses or organizations that take a responsible position with regard to:

- fair trade;
- labour rights in their own operations and through their supply chains in developing countries.

The company will not support businesses or organizations whose activities include:

- irresponsible marketing practices in developing countries, including inappropriate marketing to children;
- inappropriate financial trading methods;
- tobacco product manufacture or distribution.

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5 GENETIC MODIFICATION

The company will not provide support or work with businesses or organizations involved in the development, distribution or marketing of genetically modified organisms (GMOs) where, in particular, the following activities are evident:

- uncontrolled release of GMOs into the environment;
- any negative impacts on developing countries such as the imposition of "Terminator" technologies - technologies that genetically engineer sterility into crop plants, for no other purpose than to protect and enforce corporate patents on GM seeds;

6 ECOLOGICAL IMPACT AND ANIMAL WELFARE

The company actively seeks ways to reduce the ecological impact of its own activities in terms of energy and materials usage. The company will encourage the organisations it works with to take a pro-active stance on the environmental impact of their own activities to avoid repeated damage to the environment and will actively support organizations involved in:

- recycling and sustainable waste management;
- renewable energy and energy efficiency;
- sustainable natural products and services including timber and organic produce;
- the pursuit of ecological sustainability;
- the development of alternatives to animal experimentation:
- farming methods which promote animal welfare.