

Sustainable Procurement Policy

**Matrix Concepts Holdings Berhad**

# Preface

## **Matrix Concepts Holdings Berhad or “MCHB”**

One of the imperative pillars of the MCHB is Nurturing Environment Enriching Lives. It is based on the principle of shared value, a concept that promotes policies and operating practices that enhance the competitiveness of the company while also improving economic and social conditions in the communities in which we operates.

## **Sustainable Procurement**

To achieve our goals and ensure ethical conduct, it is empirical that our suppliers share our values and vision; and raise the sustainability standards in our supply chain. We acknowledge that long-term sustainable development of our suppliers is critical to our joint success and we value our relationship with suppliers who share the same approach and vision towards doing business.

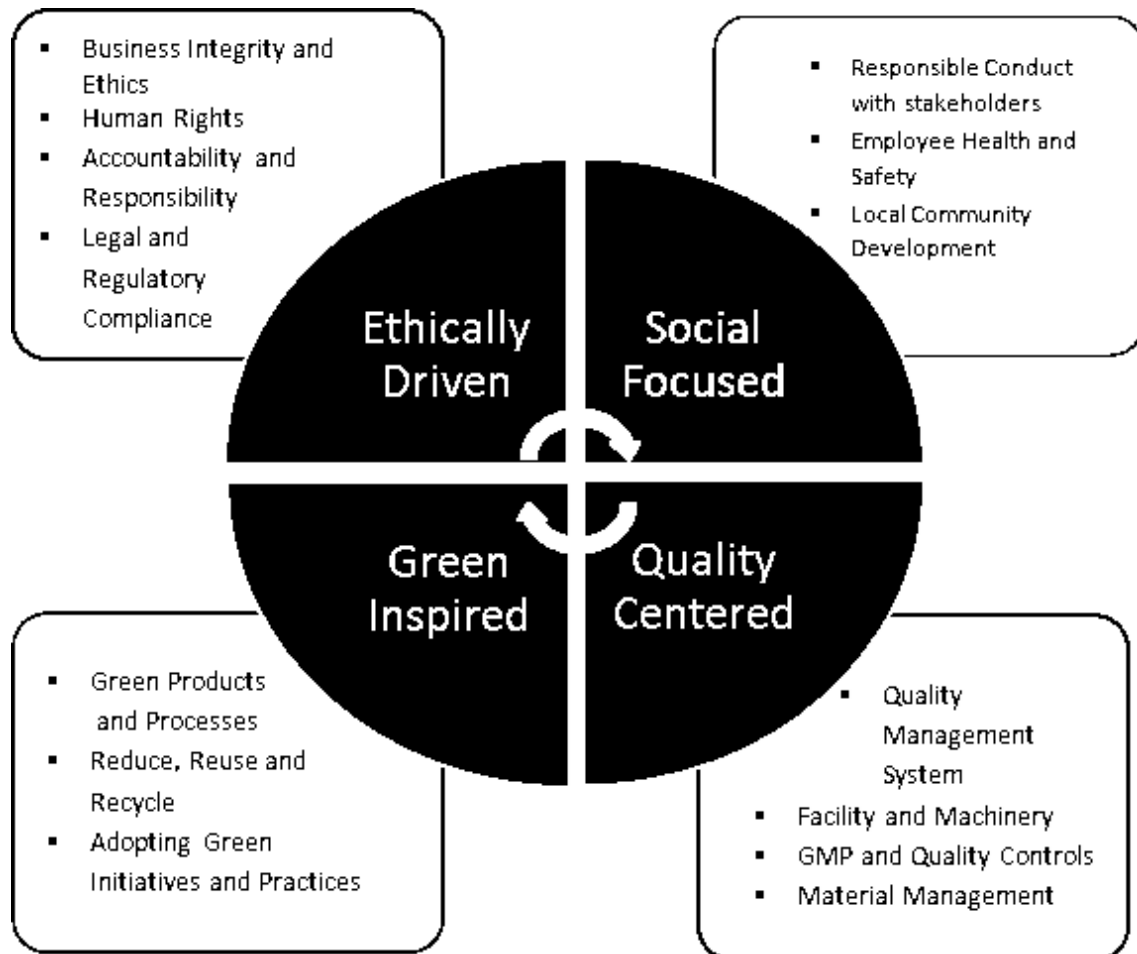
In line with our commitment we have developed a Sustainable Procurement Policy (Policy), which is an extension of our values and is applicable to all our suppliers. We expect our suppliers to operate in accordance with the principles as outlined in this Policy and adhere to all applicable laws and regulations.

This Policy outlines our expectations with regards to ethics, business integrity, human rights, health and safety, environment, the local community and quality of product and operations.

We will periodically review the Policy to ensure that it continues to help us move towards our vision. We encourage our suppliers to review this information and ensure that the principles and practices outlined in the Policy will be reflected in your on-going business dealings with us. We expect you to communicate the Policy throughout your organisation as appropriate. Let us move together towards an ethically driven, socially focused, green inspired and quality centred supply chain.

**Ho Kong Soon**  
**Group Managing Director**

## Matrix Concepts Holdings Berhad Sustainable Procurement Policy



# The Principles

## 1 ETHICALLY DRIVEN

MCHB conduct its business activities in a fair and transparent manner with honesty, integrity, high ethical & moral standards and respect for human rights. We strongly believe that high ethical standards are essential for sound business relationships. We expect our suppliers to share this commitment while conducting their business.

### 1.1. Business Integrity and Ethics

#### a. Conflict of interest

Suppliers are expected to report any conflict of interest in any business dealings with MCHB that supplier is aware of to allow us the opportunity to take appropriate action. It should be disclosed if any MCHB employee or professional under contract with MCHB may have significant ownership or interest in a supplier's business.

#### b. Bribery, corruption, gifts and donations

Suppliers in all commercial dealings with MCHB or otherwise must not receive or offer to make any illegal payments, gifts, bribes, donations or other improper advantage in order to obtain unethical favours for the business. All suppliers must ensure that no action is taken to violate any applicable anti-bribery or anti-corruption laws and regulations in the locations of their operations and make every effort to eliminate all forms of corruption and bribery.

#### c. Confidentiality

Suppliers shall safeguard and respect MCHB intellectual property; trade secrets and other confidential, proprietary and sensitive information or data at all times and shall not disclose the same. The information provided by MCHB should be used only for its intended and designated purpose as decided and agreed upon between MCHB and the supplier.

#### d. Anti-competitive and restrictive trade practices

Suppliers must comply with applicable local and international laws to promote free and fair competition and to get business by offering competitive prices and innovative products.

### 1.2. Human Rights

#### a. Forced and child labour

Suppliers shall prohibit use of child labour at any stage of their business process. The suppliers must not use forced labour including minor, human trafficking or modern day slavery in their operations.

**b. Compensation and working hours**

We expect suppliers to comply with applicable wage and hour laws, regulations and mandatory industry standards pertaining to minimum wages, overtime pay, working hours and rest periods.

**c. Non-discrimination**

Suppliers must ensure there is no discrimination in their hiring and employment practices on the basis of race, gender, age, nationality, religion, sexual orientation, marital status, etc.

**1.3. Accountability and Transparency**

**a. Maintaining appropriate financial records**

We expect suppliers to prepare and maintain accounts of business dealings fairly, accurately and in accordance with accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country of Malaysia.

**1.4. Legal and Regulatory Compliance**

We expect our suppliers to comply with all applicable laws and regulations within Malaysia. Suppliers should follow guidelines of all the required permits and registrations to be legally compliant at all times.

**2 GREEN INSPIRED**

Environmental concerns are no more issues of tomorrow, but are real challenges that need to be addressed today. We aim at making our value chain environmental friendly and responsible.

**2.1 Green Products and Processes**

**a. Reducing emissions and water consumption**

We suggest that our suppliers identify sources of emissions (CO<sub>2</sub>, Other Greenhouse Gases, SO<sub>x</sub>, NO<sub>x</sub> and Particulate Matter) and make progressive efforts towards reducing these emissions. Opportunities for reduction in water usage should be identified and measures for water conservation should be implemented.

**b. Reducing usage of hazardous and toxic materials**

We expect our suppliers to assess their use of hazardous and toxic material and take necessary steps to reduce it, as much as possible. Appropriate eco-friendly substitutes and replacements should be introduced to minimise exposure to such material.

**c. Disposal of toxic waste**

Toxic waste should be handled with professional guidance and mechanism should be put in place to dispose-off the waste to authorised waste processors by the suppliers. Toxic waste should not be allowed outside the premise without proper approval.

**d. Renewable energy**

We recommend our suppliers to use renewable sources of energy wherever possible so as to become more energy efficient and energy independent. The suppliers should take steps to identify the scope of replacing conventional sources of energy with sustainable and renewable sources in their operations.

**2.2 Reduce, Reuse and Recycle**

**a. Zero waste to landfill**

Waste to landfill should be analysed and suppliers should try and set targets to reduce the quantity of disposal to landfills. Alternate waste disposal techniques should be adopted in order to reduce the impact on the environment.

**b. Responsible consumption of resources**

The supplier should look for opportunities to reduce resource consumption by improving efficiency, investing in appropriate technology, reusing material by innovating products and processes. The supplier should minimise dependence on scarce natural resource by identifying and using appropriate replacements.

**c. Packaging material**

Suppliers should try and take steps to reduce the environmental impact of their packaging material by developing innovative, practical solutions to modify the design and disposal method to the best possible extent.

**2.3 Adopting Green Initiatives and Practices**

In order to monitor the environmental performance and to become environmental friendly, practices to monitor and minimise environmental impact should be embedded in organisation's processes. We recommend that our suppliers inculcate such practices in their operations and start new initiatives to reduce their impact on the environment.

**3 SOCIAL FOCUSED**

MCHB is committed towards supporting sustainable development and business practices. We are contributing towards social and economic development of the communities in which we operate and expect our suppliers to take steps towards same.

**3.1 Responsible Conduct with Stakeholders**

**a. Fair dealing with vendors/suppliers**

We encourage our suppliers to conduct all transactions with their business partners

in fair and transparent manner including fair evaluation, reasonable selection, equal opportunities, fair and free competition for all.

**b. Diversity in workforce**

We suggest that suppliers should take initiatives to have a diverse and inclusive workforce in terms of age, gender, experience, ethnicity etc.

**c. Engage and involve with local communities**

We encourage our suppliers to address issues and concerns of the community impacted by operations of the supplier and minimise the impact.

**3.2 Employee Health and Safety**

We expect our suppliers to adopt robust and relevant management practices in order to comply with applicable health and safety laws, rules, regulations and industry standards. The suppliers are also encouraged to conduct training and awareness activities for employees on health and safety.

**3.3 Local Community Development**

We understand that our operations not only affect our own communities but also of those who are in contact of our supply chains and our suppliers. Therefore, we encourage our suppliers to undertake steps to collaborate and associate with the local community for economic and social development by providing employment, helping in eradicating poverty, helping in developing skills of local people etc. wherever relevant.

**4 QUALITY CENTRED**

Ensuring quality and adherence to manufacturing and product standard is of prime importance to us.

**4.1 Quality Management System**

We expect our suppliers to establish quality objectives, policies, manual, procedures and have in place Quality Management System by competent authority like ISO. The suppliers should comply with local regulations, registrations, have trainings, management reviews and internal audits to ensure that the Quality Management System is effective.

**4.2 Good Manufacturing Practices and Quality Controls**

We expect our suppliers to have in place established manufacturing and packaging operations with proper maintenance of records along with process controls and finished product release programme.

**4.3 Material Management**

We expect our suppliers to have in place established practices for storage, handling and transportation of raw material and to maximise the risk prevention measures through

good warehousing practices and proper handling of rejected item.

## **5 APPLICATION OF POLICY**

### **5.1 Applicability and Implementation**

We expect our suppliers to set in place internal policies, governance structures, systems, processes and take any other relevant measures to ensure adherence with this Policy. We will work with our suppliers to identify issues that do not meet our expectations and help them in addressing the gaps identified, if any.

### **5.2 Monitoring and Reporting**

We expect our suppliers to monitor and report the initiatives undertaken by them with regards to ensuring adherence to this Policy. We recommend our suppliers to place monitoring and reporting mechanisms and management systems, wherever required, to effectively implement and manage such initiatives.

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THE END

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