



GADANG HOLDINGS BERHAD

Registration No: 199301023376 (278114-K)

SUSTAINABLE PROCUREMENT POLICY

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SUSTAINABLE PROCUREMENT POLICY

1. OBJECTIVE

Gadang Holdings Berhad and its group of companies (“Gadang” or “the Company”) is committed to embedding Economic, Social & Governance (“ESG”) considerations in our procurement interactions with third parties. Third parties include advisors, business associates, partners, agents, vendors, suppliers, contractors, consultants and any other third parties service providers or persons who perform services for or on behalf of the Company (“Third Parties”).

The objective of this policy is to communicate clearly about our beliefs and expectations when conducting business with Third Parties. We conduct our business in line with key ESG principles and we prioritise Third Parties who also embeds sustainable practices within their own supply chain. Our mutual commitment and ability to promote these principles will determine the quality and sustainability of our business relationships.

2. GADANG’S KEY ESG PRINCIPLES

2.1. Governance

2.1.1. Anti-Bribery & Corruption and Business Ethics

Gadang is committed to conducting business in an ethical and honest manner, and is committed to implementing and enforcing systems that ensure bribery and corruption is prevented. The Company has zero tolerance for bribery and corrupt activities. We are committed to acting professionally, fairly and with integrity in all business dealings and relationships.

For more details on Gadang’s Anti-Bribery & Corruption Policy, please refer to <https://www.gadang.com.my/investor-relations>

2.1.2. Fair Competition

Gadang’s evaluation and selection of Third Parties for the procurement of products and services is carried out on the basis of fair competition. Third Parties are given the same information for pricing purposes so that none will have an unfair advantage over the others. They are evaluated and selected based on a common set of criteria.

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2.1.3. Gifts, Hospitality & Entertainment

Gadang has in place a Gifts, Hospitality and Entertainment policy whereby save for nominal value token souvenirs and/or entertainment that are nominal and infrequent, such as business lunches, over which legitimate business discussions take place, employees shall not solicit or accept gifts in any form from Third Parties if it is made in exchange for favours or benefits.

2.1.4. Personal Data Protection and Confidentiality

Gadang complies to the Personal Data Protection Act 2010 and ensures that procedures are in place to safeguard and protect confidential information and personal data belonging to Third Parties that are obtained in the course of business. All employees have a duty to keep confidential, such information.

2.2. Social

2.2.1. Health and Safety

Gadang ensures that all employees including foreign workers, are treated with dignity and respect and that they work in a safe and healthy environment. We do this by reducing the sources of workplace risks to the extent that is practical. In collaboration with our employees and workers, we strive to take effective measures to prevent potential accidents and reducing hazards to employees' health. All employees will receive training and/or briefing on health and safety, as well as safety-related instructions related to their jobs. Employees and workers have access to clean sanitary facilities and drinking water. Our Safety, Health and Environment department (SHE) is in charge of policy and procedures for Health and Safety.

2.2.2. Living Condition of Workers and Welfare

Where accommodation is provided to the workers, Gadang complies with the Minimum Standards of Housing and Amenities Act 1990 (Act 446) where premises shall be clean, safe and meet the basic needs of the workers.

Welfare wise, Gadang provides its workers with access to clean toilet facilities, potable water, washing and eating facilities, changing rooms, lockers and rest areas.

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2.2.3. Prohibition of Child Labour / Forced Labour / Human Trafficking

Gadang has zero tolerance for child labour, forced labour and human trafficking within its business operations and across the supply chain. Third Parties shall ensure that there is no involvement in unethical labour practices.

2.2.4. Minimum Wages, Working Hours and Benefits

Gadang complies to all applicable wage laws, including minimum wage, working hours, overtime hours and legally mandated benefits in accordance with the Employment Act 1955 (Act 265). All workers shall be provided with written and understandable information about their employment conditions in respect to wages and benefits before their employment.

2.2.5. Non-discrimination

Gadang endeavours to provide equal opportunity to ensure that recruitment, hiring, placement, development, training, compensation and advancement in the Company are justified through qualifications, performance, skills and experience without regard to religion, political opinion, gender, age, ethnicity, sexual orientation, nationality or disability.

2.2.6. Prohibition of Inhumane Treatment

Gadang endeavours to provide a workplace that is free from physical, psychological or verbal abuse and sexual harassment.

2.3. Environment

2.3.1. Biodiversity

Gadang is mindful of the loss of biodiversity caused by its core activities. We assess and manage the impact on biodiversity, explore and carry out mitigation actions on a continuous basis. We comply with environmental regulations at all times.

2.3.2. No Open Burning

Gadang has in place a “No Open Burning” policy to protect the environment.

2.3.3. Air Emissions

Gadang endeavours to minimise air pollution by monitoring air emissions to keep within permissible levels according to applicable laws and regulations.

2.3.4. Climate Change and Greenhouse Gas (GHG) Emission

Gadang is committed to the timeline issued by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) to address climate change with the tracking of its carbon emission for Scope 1, Scope 2, and Scope 3 (Employee Commuting and Business Travel).

2.3.5. Water Quality and Consumption

Gadang has in place a water management policy whereby the quality of water that is discharged must comply with the applicable laws and regulations.

We create awareness amongst employees on water scarcity and they are encouraged to reduce unnecessary water consumption.

2.3.6. Waste Management

Gadang has in place a waste management practice that encourages the reusing and recycling of waste. Disposal of waste must comply with applicable laws & regulations.

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3. COMMUNICATION OF SUSTAINABLE PROCUREMENT POLICY

All employees of Gadang must communicate this Sustainability Procurement Policy to third parties that have business dealings with the Company to ensure a sustainable business relationship with Gadang.