

SUPPLIER CODE OF CONDUCT

Hartalega is committed to the highest standards of social and environmental responsibility and ethical conduct, such as with a zero-tolerance approach to all forms of modern slavery practices in its supply chain which include:

- a) abuse of vulnerability;
- b) deception;
- c) restriction of movement;
- d) isolation;
- e) physical and/or sexual violence;
- f) intimidation and threats;
- g) retention of identity documents;
- h) withholding wages;
- i) debt bondage;
- j) abusive working and living conditions; and,
- k) excessive overtime.

This Supplier Code of Conduct is therefore made available to our suppliers, contractors and service providers with the goal of strengthening our mutual understanding of how sustainability should be practiced in day-to-day business.

We expect all our suppliers, contractors, and service providers to share the same commitment by following at least the minimum standards as expressed in this Supplier Code of Conduct and cascade these standards further down each supply chain.

1.0 Child Labour & Employment Young Persons

- 1.1. Suppliers, Contractors, and Service Providers shall not use child labour, regardless of whether through direct or indirect engagement. A Child is defined as a person who has not completed his or her 15th year of age or as defined by the local law, in which case the stipulated lower age applies in that locality.
- 1.2. Although not preferred, Suppliers, Contractors and Service Providers may employ Young Persons if the company abides to the terms as defined by the local law and ensures that Young Persons are protected from labour that is hazardous to their health, safety or morals. A Young Person is defined as a person who is not a Child but has not completed his or her 18th year of age or as defined by the local law, in which case the stipulated lower age applies in that locality.
- 1.3. Suppliers, Contractors and Service Providers shall not allow Young Persons they have employed to physically enter or work within Hartalega's factory premises.

- 1.4. If a Child or Young Person is found within Hartalega's factory premises, the Child or Young Person shall be removed from any hazardous or unsafe areas and be appointed a guardian until the Supplier/ Contractor is able to remove the Child or Young Person from Hartalega premises. Hartalega shall require the said Supplier/ Contractor/ Service Provider to implement a corrective and preventive action plan, including education and training. If corrective action is not made within an agreed timeframe, or if further violations occur, Hartalega shall terminate all business with the Supplier/ Contractor/ Service Provider.

2.0 Forced or Compulsory Labour

- 2.1. Suppliers, Contractors, and Service Providers shall not use forced, involuntary or trafficked labour including prison labour.
- 2.2. Suppliers, Contractors, and Service Providers shall not require workers to surrender any government-issued identification, such as a passport, worker permits or any other legal documents, whether as a condition of employment or not. Workers must always and at all times be allowed to maintain control over their identification documents.
Workers shall have the right to leave the workplace premises after completing the standard workday and be free to terminate their employment provided they give reasonable notice to the company.
- 2.3. Suppliers, Contractors, and Service Providers shall not use or condone the use of any forced, bonded, or involuntary labour and shall not deprive any worker of their freedom.
- 2.4. Punishment and/ or mental coercion are strictly prohibited. Disciplinary policies should be clearly defined and communicated to all workers.
- 2.5. Suppliers, Contractors, and Service Providers must ensure that workers do not pay fees or make payments connected to obtaining or keeping employment throughout the hiring process and the period of employment. Suppliers, Contractors, and Service Providers are responsible for payment of all recruitment fees and expenses relating to employment, both in Supplier/ Contractor/ Service Provider's country of operation and in the workers' home country.
- 2.6. Suppliers, Contractors, and Service Providers should provide all workers with a contract of employment detailing their rights together with other key documents in a language the workers understand, preferably in their native language.
- 2.7. Suppliers, Contractors, and Service Providers shall not restrict freedom of movement of workers, including during breaks and rest periods.

3.0 Modern Slavery and Human Trafficking

- 3.1. Suppliers, Contractors, and Service Providers shall not arrange or facilitate the travel of any person with a view that person is being or will be exploited and shall not use or condone human trafficking. No modern slavery activity is permitted.

4.0 Coercion and Harassment

- 4.1. Suppliers, Contractors, and Service Providers shall treat each worker with dignity and respect and shall not use corporal punishment, threats of violence or other forms of physical, sexual, psychological, or verbal harassment or abuse.

5.0 Working Hours & Compensation

- 5.1. Suppliers, Contractors, and Service Providers shall comply with applicable local laws on working hours, rest days and public holidays.
- 5.2. For example, in Malaysia, normal working hours shall not be more than 45 hours per week and workers shall be provided with at least one rest day for every 7-day period.
- 5.3. Overtime work shall be carried out solely on a voluntary basis. The amount of overtime hours performed by day, week or month shall comply with local regulation.

6.0 Remuneration

- 6.1. Suppliers, Contractors, and Service Providers shall pay workers in a timely manner and clearly convey the basis on which workers are being paid, provide legally mandated benefits and shall not deduct from the worker's wage without their written permission or for an item an employer is required to provide.
- 6.2. Suppliers, Contractors, and Service Providers to compensate workers for overtime hours worked at a premium rate as is legally required or, if there is no legally prescribed premium rate, at a rate at least equal to the regular hourly compensation rate.
- 6.3. Suppliers, Contractors, and Service Providers shall ensure that wages for a normal work month not including overtime as well as reimbursement rates for overtime shall always meet at least legal minimum standards set by the local law.
- 6.4. Any salary deduction beyond the approved statutory requirements shall be supported with written approval from the relevant authority as well as the worker's consent.
- 6.5. Deductions from wages as disciplinary measure shall not be allowed if not legally permitted and even where legally permitted, should be minimized.
- 6.6. The supplier shall ensure equal pay regardless of gender and is encouraged to set gender and diversity goals and targets.

7.0 Freedom of Association & Collective Bargaining

- 7.1. Workers shall have the right to join or form unions or worker representatives of their own choosing, without any distinction. Suppliers, Contractors, and Service Providers must not interfere with or obstruct the formation of unions or worker representatives.
- 7.2. Worker representatives recognized by the respective Supplier, Contractor or Service Provider shall not be discriminated against and afforded access to carry out their representative functions in their workplace.
- 7.3. Subject to the provisions of the local laws of the Supplier/ Contractor/ Service Provider's country of operation, if the Supplier/ Contractor/ Service Provider's workers have chosen

lawfully to be represented by third parties, the Supplier/ Contractor/ Service Provider must bargain in good faith and not retaliate against their workers for their lawful participation in labour organization activities.

8.0 Discrimination

- 8.1. Suppliers, Contractors, and Service Providers not to discriminate in hiring and employment practices, including salary, benefits, advancement, discipline, termination, or retirement, on the basis of race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, political opinion or disability.
- 8.2. Suppliers, Contractors, and Service Providers shall promote an inclusive work environment that values the diversity of all its workers.

9.0 Disciplinary Practices

- 9.1. All workers shall be treated with dignity and respect. Suppliers, Contractors, and Service Providers shall not use corporal punishment or salary deduction as a disciplinary measure.
- 9.2. Suppliers, Contractors, and Service Providers shall not allow any behaviour that is threatening, abusive, exploitative, or sexually coercive including gestures, language and physical contact.

10.0 Ethical Business Behaviour

- 10.1. Suppliers, Contractors, and Service Providers provider must conduct their overall business with integrity.
- 10.2. Any acts of corruption, extortion, embezzlement, bribery, fraud, or falsification of information initiated or knowingly participated in by any Supplier, Contractor or Service Provider shall not be tolerated.
- 10.3. Hartalega adopts a zero-tolerance policy against bribery and other forms of corruption. We encourage any Supplier, Contractor or Service Provider who have reason to believe such malpractice is occurring or has occurred to report it via Hartalega's Whistleblowing Procedure (Details are available on the Hartalega corporate website at [HARTALEGA WHISTLEBLOWING POLICY AND PROCEDURE](#))

11.0 Health and Safety

- 11.1. Suppliers, Contractors, and Service Providers shall provide a safe and healthy work environment and take effective steps to prevent potential health and safety incidents and occupational injury or illness arising out of, associated with or occurring in the course of work.
- 11.2. Suppliers, Contractors, and Service Providers shall minimise or eliminate, so far as is reasonably practicable, the causes of all hazards in the workplace environment based upon the prevailing safety and health knowledge of the industry sector and of any specific hazards.

- 11.3. All Suppliers, Contractors and Service Providers should implement the highest standards of occupational health and safety by applying a health and safety management approach appropriate to the business. This includes regular workplace risk assessments, implementation of adequate hazard control and precautionary measures as well as proper storage and disposal of chemicals. Workers are to be adequately educated and trained in health and safety issues and provided, when at work, proper personal protective equipment.
- 11.4. Suppliers, Contractors, and Service Providers to provide workers with a safe and healthy workplace in compliance with all applicable laws and regulations, ensuring there is, at a minimum:
 - a) reasonable access to drinkable water and sanitary facilities;
 - b) reasonable access to appropriate and adequate fire safety measures and facilities; and
 - c) reasonable access to appropriate and adequate lighting and ventilation facilities.
- 11.5. Where hazards remain after effective minimisation or elimination of the causes of all hazards in the workplace environment, Suppliers, Contractors, and Service Providers shall provide their workers with appropriate personal protective equipment as needed at the employer's own expense, including replacements when necessary.
- 11.6. Suppliers, Contractors, and Service Providers also ensure that the same standards of health and safety are applied in any housing that they provide for workers, including adequate, safe and hygienic facilities for sleeping, bathing, personal storage, cooking and eating. At a minimum, the housing provided must conform to all relevant housing standards and acts.
- 11.7. Suppliers, Contractors, and Service Providers to ensure each facility is equipped with an emergency plan and required arrangements for detection, evacuation, and response, including functioning and accessible alarms, lighting, exits and firefighting equipment.

12.0 Environment & Climate Change

- 12.1. Suppliers, Contractors, and Service Providers shall at a minimum comply with all applicable legal environmental requirements to minimise its environmental impact.
- 12.2. Suppliers, Contractors, and Service Providers shall at a minimum comply with all applicable environmental laws, regulations and standards as well as implement an effective system to identify and eliminate potential hazards to the environment.
- 12.3. Suppliers, Contractors, and Service Providers are recommended to take measures to minimize or eliminate adverse impacts on human health and the environment throughout the supply chain which includes minimizing pollution, greenhouse gas emissions in production and transport and promoting an efficient and sustainable use of resources, including energy and water.

- 12.4. Suppliers, Contractors, and Service Providers should strive to support national climate protection goals and initiatives through the products and services they deliver (e.g. by providing relevant data on climate protection). In this regard, Hartalega expects Suppliers, Contractors, and Service Providers to take climate protection appropriately into account in their own operations, for example by setting climate protection goals for themselves and achieving them.
- 12.5 Work to reduce energy consumption and use renewable energy wherever possible.

13.0 Conflict Minerals

- 13.1. Conflict Minerals are defined as minerals originating from the Democratic Republic Congo or surrounding countries (Central Africa Republic, South Sudan, Zambia, Angola, Tanzania, Burundi, Rwanda and Uganda).
- 13.2. Hartalega requires Suppliers, Contractors, and Service Providers to undertake steps to identify whether Conflict Mineral are contained in the products they manufactured (or contracted to be manufactured by it), including determining the country of origin of raw minerals used in production.
- 13.3. If these minerals are contained in their products, Hartalega requires Suppliers to take reasonable steps in a timely manner to eliminate the use of Conflict Minerals at a minimum in products supplied to Hartalega.

14.0 Restricted Materials

- 14.1. Restricted Materials are defined as any materials that are formally prohibited by any relevant authorities to be used during processing or in finished goods because of health, safety, and/or environmental concerns relating to the materials.
- 14.2. Hartalega is committed to ensure that all materials, packaging and component and chemical composition of products conforms with customer and following REACH standard based on different countries requirement/guideline.
- 14.3 Hartalega requires Suppliers, Contractors, and Service Providers to undertake steps to identify whether Restricted Materials are contained in the products they manufactured (or contracted to be manufactured by it).

15.0 Bribery and Corruption

- 15.1. Hartalega operates a zero-tolerance policy when it comes to bribery and corruption. Suppliers, Contractors, and Service Providers must comply with all local laws and regulations concerning prohibitions on bribery and corruption.
- 15.2. Suppliers, Contractors, and Service Providers must not, while conducting business with or on Hartalega's behalf, pay, accept, loan, or offer a bribe, kickback, or improper payment to anyone. In addition, Suppliers, Contractors, and Service Providers must not hire any third party to do something it cannot ethically or legally do itself.
- 15.3. For the purposes of compliance with this Supplier Code of Conduct, a "bribe" includes anything of value, including money, gifts, loans, or other favours that may influence or appear

to influence the recipient's business decisions or compromise independent judgment. A “kickback” is the return of a sum already paid or due to be paid as a reward for making or fostering business arrangements.

- 15.4. Suppliers, Contractors and Service Providers must also not engage in any facilitation payments, i.e. small payments intended to speed up routine government actions when doing business. Hartalega does not distinguish between “facilitating payments” or any other bribe and expects Suppliers, Contractors and Service Providers and Contractors to adhere to the same standard.

16.0 Data Protection and Confidentiality

- 16.1. Suppliers, Contractors, and Service Providers shall adhere to applicable data protection and security laws as well as to respective regulations in particular with regard to personal data of workers, customers, and other relevant third parties. Suppliers, Contractors, and Service Providers shall comply with all said requirements when personal data is collected, stored, used, transferred, and disposed of, including operating measures to protect data from unauthorized disclosure and action plans to remedy any kind of breach of data privacy.
- 16.2. Suppliers, Contractors, and Service Providers shall safeguard and make only legitimate use of confidential information. Suppliers, Contractors, and Service Providers shall not disclose any information that is not known to the general public. Confidential information must be stored in a secure manner to prevent unauthorized access.

17.0 Whistleblowing and No-Retaliation

- 17.1 Suppliers, Contractors, and Service Providers shall maintain a confidential platform easily accessible to all workers and encourage workers to report any non-compliance with this Supplier Code of Conduct without fear of retaliation. The Supplier/ Contractor/ Service Provider shall investigate all such reports and to take corrective action as appropriate.

18.0 Other Laws

- 18.1. Suppliers, Contractors, and Service Providers shall comply with applicable laws and regulations designed to combat money laundering activities. Suppliers, Contractors, and Service Providers shall maintain financial records and reports according to international laws and regulations.
- 18.2. Suppliers, Contractors, and Service Providers shall comply with all applicable trade and import regulations including sanctions and embargoes that apply to their activities. Suppliers, Contractors, and Service Providers shall comply with applicable competition and anti-trust laws.
- 18.3. Suppliers, Contractors, and Service Providers shall disclose any actual or potential conflict of interest with Hartalega. A conflict of interest arises when an individual has a private/ personal interest which could appear to influence their decisions. Such conflict of interest situations include a relationship by blood or marriage, business relationship partnership or investment.
- 18.4. Suppliers, Contractors, and Service Providers shall comply with all applicable laws and regulations, including those pertaining to the manufacture, pricing, sale, and distribution of merchandise. All references to “applicable laws and regulations” in this Supplier Code of



Conduct include local and national codes, rules, and regulations as well as applicable treaties and voluntary industry standards.

19.0 Business Continuity Plan

19.1 The supplier shall be prepared for any disruption of its business (e.g natural disaster, terrorism, software viruses, illness, pandemic, infectious disease). This preparedness especially includes disaster plans to protect both employees and the environment as far as possible from the effect of possible disaster that arise within the domain of its operation.

20.0 Supply Chain

20.1 The Supplier shall identify and assess risks in their value chain.

20.2 Supplier shall cease, prevent, mitigate and act on identified risks and/or actual adverse impacts to people, the environment or the climate in their value chain.

20.3 Supplier shall ensure that their processes to identify and mitigate risks in the value chain are appropriate, through internal or external controls.

20.4 Supplier shall be transparent on findings and way of working and communicate how they manage their value chain.

21.0 International Sanction

21.1 Hartalega is committed to comply with relevant sanctions regulations in all jurisdictions in which it operates. Therefore, Hartalega needs to know its external parties and Suppliers shall be transparent about its or subcontractor's real beneficial owners. Supplier shall not engage, directly or indirectly, with any person or entity listed on any of applicable sanctions lists, nor conduct business, directly or indirectly, in any country or region subject to country or territory wide sanction. Any concerns regarding sanctions laws and regulations shall immediately be reported to Hartalega.

22.0 General Requirement

22.1 Hartalega may conduct audits, either by own or third-party resources, at locations where products purchased by Hartalega or any of its subsidiaries are produced. We reserve the right to make unannounced visits to all units producing goods or services for Hartalega or any of its subsidiaries, at any time. Should Hartalega, or one of its subsidiaries, request an assessment of subcontractors' compliance with the Code, Supplier commitsto provide the name and contact details of such subcontractors and to facilitate audits by Hartalega if so requested.

23.0 Fundamental Framework

The above policy is drafted with below frameworks and references:

23.1 Universal Declaration on Human Rights

23.2 United Nations Global Compact

23.3 United Nations Guiding Principles on Business and Human Rights

23.4 United Nations Convention on Discrimination Against Women

- 23.5** United Nations Covenant on Civil and Political Rights
- 23.6** United Nations Convention on the Rights of the Child
- 23.7** United Nations Convention against Corruption
- 23.8** International Labour Organization Declaration on Fundamental Principles and Rights at Work
- 23.9** International Labour Standards on Occupational Safety and Health
- 23.10** OECD Guidelines for Multinational Enterprises
- 23.11** Rio Declaration on Environment and Development
- 23.12** Paris Climate Agreement

**Document
 History**

Revision Number	Prepared Date	Description of Change
0	09.06.2021	Initial document released.
1	07.11.2022	Inclusion of point 6.6, 13, 19, 20, 21, 22, 23 new clauses aligning with international requirement.
2	27.06.2023	a. In clause 1.4, 2.2, 2.3, 2.7, 3.1 and 4.1, “will” is replaced with “shall”. b. In clause 5.2, “48” is replaced to “45”. c. Clause 13 Climate Change is combined with Clause 12 Environment and title for Clause 12 changed to Environment & Climate Change. d. Clause 13.1 is changed to Clause 12.5.
3	03.10.2023	a. Inclusion of point 14.0 new clauses aligning with RBA requirement.