



MAH SING GROUP BERHAD

ETHICAL TRADING INITIATIVE POLICY

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1. INTRODUCTION

In compliance with the Ethical Trading Initiative (ETI) Code, Mah Sing Group Berhad hereby adopt fully The ETI Base Code founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of good labour practice (Source from www.ethicaltrade.org)

This is a unique approach to business and human rights, as a forward-thinking company, we are adopting ETI's internationally recognized Base Code of labour standards, our members strive to keep workers safe and free from exploitation.

The provisions of the Base Code constitute minimum and not maximum standards. By applying this code, we are expected to comply with national and other applicable laws. Where the law and the Base Code address the same subject, we are expected to apply the provision that affords greater protection to workers.

2. THE ETI BASE CODE



3. EMPLOYMENT IS FREELY CHOSEN

- 3.1 There is no forced, bonded or involuntary prison labour.
- 3.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

4. FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING ARE RESPECTED

- 4.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 4.2 The employer adopts an open attitude towards the activities of trade unions and their organizational activities.
- 4.3 Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 4.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

5. WORKING CONDITIONS ARE SAFE AND HYGIENIC

- 5.1. A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 5.2. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- 5.3. Access to clean toilet facilities and potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 5.4. Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 5.5. The company observing the code shall assign responsibility for health and safety to a senior

6. CHILD LABOUR SHALL NOT BE USED

- 6.1. A There shall be no new recruitment of child labour.
- 6.2. Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child; "child" and "child labour" being defined in the appendices.
- 6.3. Children and young persons under 18 shall not be employed at night or in hazardous conditions.

6.4. These policies and procedures shall conform to the provisions of the relevant ILO standards.

7. LIVING WAGES ARE PAID

7.1. A Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event, wages should always be enough to meet basic needs and provide some discretionary income.

7.2. All workers shall be provided with written and understandable Information about their employment conditions with respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

7.3. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

8. WORKING HOURS ARE NOT EXCESSIVE

8.1. Working hours must comply with national laws, collective agreements, and the provisions of 8.2 to 8.6 below, whichever affords the greater protection for workers. Sub-clauses 8.2 to 8.6 are based on international labour standards.

8.2. Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

8.3. All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

8.4. The total hours worked in any seven day period shall not exceed 60 hours, except where covered by clause 8.5 below.

8.5. Working hours may exceed 60 hours in any seven day period only in exceptional circumstances where all of the following are met:

- a) this is allowed by national law;
- b) this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
- c) appropriate safeguards are taken to protect the workers' health and safety; and
- d) the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

8.6. Workers shall be provided with at least one day off in every seven day period or, where allowed by national law, two days off in every 14 day period.

9. NO DISCRIMINATION IS PRACTICED

9.1. There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

10. REGULAR EMPLOYMENT IS PROVIDED

10.1. To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

10.2. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or homeworking arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts

11. NO HARSH OR INHUMANE TREATMENT IS ALLOWED

11.1. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.'

12. RESPONSIBILITY

The People Department is overall responsible for the implementation of this policy. All Company's employees are responsible to comply with the policy of the Company.