



THONG GUAN INDUSTRIES BERHAD (324203-K)

Responsible Sourcing Policy

Thong Guan Industries Berhad's (Thong Guan) operational success relies heavily on the timely provision of raw materials, chemicals, consumables, equipment, and supplier services. Disruptions in the supply chain could significantly impact our operations. Therefore, we are dedicated to proactively collaborating with our suppliers to minimize supply chain risks, enhance delivery efficiency, reduce costs, save time, and contribute to the sustainable growth of their businesses.

Thong Guan is firmly committed to achieving a Sustainable Supply Chain. We take responsibility for ensuring that our business operations, including those of our key suppliers, adhere to the best procurement and supply management practices, as well as other aspects critical to our business's sustainability. To uphold these principles, we have implemented the Sustainable Procurement and Supplier Management Policy, which emphasizes transparency, fairness, and alignment with the highest standards of quality, integrity, and excellence. Additionally, we respect the unique customs and cultures of the communities in which we operate.

We aim to foster relationships with suppliers who share our values and conduct business ethically. We are pleased to collaborate with suppliers to ensure their understanding and compliance with the requirements outlined in this Policy, which include:

- Compliance with all laws and regulations in the countries of operation, encompassing both business-related and non-business-related transactions.
 - Support for fair employment practices aligned with our commitment to human rights, fostering open and honest communication with employees and ensure fair treatment.
 - Respect for human rights, prohibiting discrimination, harassment, child labour, forced labour, excessive overtime, and ensuring fair wages and proper working conditions.
 - Acknowledgement of climate change issues and effort to minimise environment impact and prevent pollution.
 - Conducting fair business transactions, devoid of corruption and bribery.
 - Ensuring safe and healthy workplaces.
 - Maintaining product and service quality and safety.
 - Upholding intellectual property rights, safeguarding customer and supplier information.
 - Ensuring accurate disclosure of information.
- We expect our key suppliers to acknowledge, commit and implement and follow our guidelines for performance and compliance including Ethics, Labour, Environment, Health & Safety and Management Systems.
 - We expect our suppliers to follow applicable laws, and similar standards and principles in the countries in which they operate.
 - We expect our suppliers to judge their employees and contractors based upon their ability to do their job and not upon their physical and/or personal characteristics or beliefs, affirming the principle of no discrimination based on race, colour, gender, religion, political opinion, national origin or sexual orientation.



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- We expect our suppliers to ensure equal opportunities in the work place and shall not engage in discrimination with regard to recruitment and employment practices.
- We expect our suppliers to provide a safe workplace with policies and practices in place to minimise the risk of accidents, injury, and exposure to health risks.
- We expect our suppliers neither to employ anyone under the legal working age nor to condone physical or other unlawful abuse or harassment, in any of their operations.
- We expect our suppliers not to hold any person in slavery or servitude and not to use forced, bonded or compulsory labour or engage in any form of human trafficking.
- We expect our suppliers to compensate their employees fairly and competitively relative to their industry, in full compliance with applicable local and national wage and hour laws, and to offer opportunities for employees to develop their skills and capabilities.
- We expect our suppliers to conduct business in ways that protect and preserve the environment.
- We expect our suppliers to meet applicable environmental laws, rules and regulations in their operations in the countries in which they do business, including the prohibition or restriction of specific substances in products and manufacturing, including labelling for recycling and disposal.
- We expect our suppliers to protect the environment and consider the impacts of their business activities on local communities and ecosystems, while paying special attention to energy use efficiency, climate change issues such as greenhouse gas emissions, sustainable use of resources and water, waste reduction, and air, soil and river pollution.
- We expect our suppliers not to give anything more than normal business hospitality appropriate under the circumstances to Thong Guan employees. Gifts of cash or cash equivalents, such as gift cards, are never allowed.
- We expect our suppliers to engage in fair business practices, avoid corruption including bribery and extortion, and comply with applicable laws and regulations.
- We expect our suppliers to uphold the highest standards of integrity in all business interactions. Thong Guan adopted a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement.
- We expect our suppliers to protect the confidential information of Thong Guan.
- We expect our suppliers do not trade in securities related to Thong Guan, or encourage others to do so, based on confidential information received from Thong Guan.
- We expect our suppliers to comply with applicable Data Protection laws, and privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared, including suppliers, customers, consumers, and employees.
- We expect our suppliers to whistle blow any employee of Thong Guan, who has any issues of ethics such as engaged in illegal or otherwise improper conduct, should report the matter to Thong Guan without fear of retaliation. We will ensure the confidentiality, anonymity, and protection of supplier and employee whistleblower are to be maintained, unless prohibited by law.

Thong Guan has performed supplier selection to ensure that our suppliers deliver products and services that meet our specification and requirements. The scope of evaluation includes suppliers' capabilities based on our criteria identified in the supplier evaluation form including economic, environmental, and social issues consistent with our Responsible Sourcing Policy. All the suppliers who are qualified and approved via the supplier evaluation process will be registered on our procurement system. All major suppliers are required to sign the acknowledgement form of Responsible Sourcing Policy, Business Ethic & Code of Conduct and Anti-Corruption Policy to ensure compliance with the agreements and requirements.

Should suppliers fail to meet any aspect of our Responsible Sourcing Policy, Business Ethic & Code of Conduct and Anti-Corruption Policies, corrective actions will be required. Thong Guan reserves the right to terminate agreements with suppliers unable to demonstrate compliance. Regular supplier surveys and site visits will be conducted to monitor compliance and strengthen communication. Non-compliance will result in corrective actions and, if necessary, a review of our business relationship with the supplier.

Thong Guan will conduct regular surveys of suppliers to monitor the status of their compliance with basic policies and to strengthen communication with suppliers.

Continuous efforts will be made to enhance our supply chain sustainability, focusing on resource efficiency, optimization, and employee training in sustainability development.