



Human Rights & Labour Practices Policy

CONFIDENTIAL



Change Log
Human Rights & Labour Practices Policy
Ancom Nylex Berhad Group

Version	Responsible Department	Description	Reviewer	Approver	Date of approval
1	Human Resources	This Policy outlines the Group's commitment to upholding responsible and ethical human and labour rights throughout all business operations.	Phillip Karrupiah	RMC, Board of Directors	16 January 2025
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Notification: This page is meant for internal use exclusively.

Human Rights & Labour Practices Policy

1. Introduction

Ancom Nylex Berhad (“**the Company**”) and our subsidiaries (collectively “**ANB**” or “**the Group**”) acknowledge our responsibility to safeguard and uphold human rights throughout our business operations and value chain. We are dedicated to aligning our business practices with international human rights standards to prevent negative impacts and mitigate potential issues.

Safeguarding human rights is not only a moral and legal obligation but also a strategic necessity. By upholding the principles of fairness, dignity, and equality, we foster a positive work environment, enhance the Group’s brand reputation, and mitigate operational risks. At ANB, we believe that every individual has the right to be treated with fairness, respect, and dignity in the workplace. We value their knowledge, skills, and abilities as critical factors in their success.

This Human Rights & Labour Practices Policy (“**Policy**”) serves as a structured set of guidelines applicable to all Group subsidiaries and members of our supply chain. It was developed in reference to the relevant human rights and labour laws of the different countries we operate in, as well as the following international frameworks:

- United Nations (“UN”) Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- UN International Children’s Emergency Fund (“UNICEF”) Children’s Rights and Business Principles
- International Labour Organisation (“ILO”) Convention on Labour Standards

Whenever feasible, the Group endeavours to go beyond compliance with local laws and regulations.

This Policy shall be read together with the Group’s Code of Conduct and Ethics, Diversity Policy, and Whistle-Blowing Policy. These and other existing Group policies can be referred to at https://www.ancomnylex.com/corporate_governance.php

1.1 Scope

- 1.1.1 This Policy applies to ANB and its subsidiaries within Malaysia and in other countries where the Group operates, covering the eight core business segments: Agricultural Chemicals, Public Health & Hygiene, Animal Health, Industrial Chemicals/ Polymers, Logistics & Warehousing, Information Technology, Media & Advertising, and Health Care.
- 1.1.2 The Policy applies to all employees, including full-time, part-time, temporary, probationary, casual, contract, as well as interns. It also covers all employment levels of the Group, including the Board of Directors and Management.
- 1.1.3 Where applicable, the Policy shall also extend to the surrounding communities where we operate and members of our supply chain, both domestic and international, involved in the Group’s value chain. These shall include, but are

not limited to, suppliers, business partners, vendors, contractors, consultants, associates, distributors, agents, licensees, manufacturers, sub-contractors, or any other third party that the Group has engaged in providing a product or service for ANB or its subsidiaries (collectively referred to as “**suppliers**”).

1.2 Objectives

The main objectives of this Policy are to:

- i. Ensure all employment in the Group is in accordance with the relevant employment and human rights laws and practices;
- ii. Provide a fair, respectable, and safe workplace for all employees in the Group;
- iii. Foster a pleasant and harmonious relationship between employer and employees for smooth business operations;
- iv. Effectively communicate and safeguard Human Rights protection throughout the Group’s operations; and
- v. Provide a safe channel for reporting Policy violations.

2. Roles & Responsibilities

The Group is committed to enforcing the protection of human rights through the implementation of this Policy. As such, the following entities will play critical roles in the Policy’s administration:

2.1 Board of Directors (“Board”)

- 2.1.1 Provide strategic oversight to ensure the Policy aligns with the Group’s values, commitments, and long-term business objectives;
- 2.1.2 Review and approve the Policy and any significant update, amendment, or revision to ensure it aligns with local laws, regulations, and policies; and
- 2.1.3 Evaluate instances of non-compliance and decide on the appropriate corrective action.

2.2 Risk Management Committee (“RMC”)

- 2.2.1 Review the Policy and any significant update, amendment, or revision before it is sent for Board approval;
- 2.2.2 Periodically review the Policy to ensure it remains up to date with relevant identified human and labour rights risks; and
- 2.2.3 Provide regular updates to the Board on the effectiveness of the Policy and any identified gaps in implementation.

2.3 Audit Committee (“AC”)

- 2.3.1 Periodically review the Policy to ensure it remains up to date with relevant identified sustainability and corporate governance risks;
- 2.3.2 Verify reports and conduct audits on suspected operations with potential human rights breaches, working closely with the Integrity Unit;
- 2.3.3 Investigate instances of non-compliance received via the Group’s Whistle-Blowing Channel and work with the Board for appropriate corrective action; and

2.4 Management

Company-level

- 2.4.1 Ensure consistent implementation of the Policy across all relevant business segments and subsidiaries;
- 2.4.2 Integrate the Policy’s objectives with the Group’s overall business strategies and targets;
- 2.4.3 Provide guidance and reference to subsidiaries on enquiries related to the administration and content of the Policy; and
- 2.4.4 Evaluate instances of non-compliance and report to the AC and Board for appropriate corrective action.

Subsidiary-level

- 2.4.5 Implement the Policy and monitor performance against subsidiary-level and overall Group-level objectives and targets; and
- 2.4.6 Investigate and report instances of observed or suspected non-compliance to Company-level management for further evaluation and corrective action.

2.5 Human Resources (“HR”) Department

Company-level

- 2.5.1 Ensure the Policy is communicated clearly across all relevant business segments and subsidiaries;
- 2.5.2 Oversee the adequacy and effectiveness of the Policy and make relevant recommendations for improvement to the Management and Board;
- 2.5.3 Implement opportunities for continuous learning and training to raise awareness and understanding of human rights and labour practices among the workforce; and
- 2.5.4 Evaluate instances of non-compliance and work with the AC and Board for appropriate corrective action.

Subsidiary-level

- 2.5.5 Ensure local implementation of the Policy in line with subsidiary- and Group-level practices;
- 2.5.6 Serve as the contact point for all employees and provide guidance and reference on enquiries related to the administration and content of the Policy; and
- 2.5.7 Investigate and report instances of observed or suspected non-compliance to Company-level management for further evaluation and corrective action.

2.6 Procurement Department

Subsidiary-level

- 2.6.1 Communicate Policy expectations among relevant suppliers;
- 2.6.2 Include Policy requirements in procurement contracts for new suppliers;
- 2.6.3 Conduct due diligence to assess and monitor human and labour rights performance throughout the supply chain; and
- 2.6.4 Investigate and report instances of suspected or observed non-compliance within the supply chain to the subsidiary-level Management

2.7 Employees

- 2.7.1 Read, understand and adhere to the human rights of every individual as set out by this Policy; and
- 2.7.2 Report instances of suspected or observed non-compliance with the Policy and testify as and when needed during investigations of said non-compliance

3. Commitments

The Policy outlines the Group's efforts to safeguard human and labour rights throughout all business activities and value chains based on the recommendations of local laws and international frameworks. Our commitments to these matters include the following:

3.1 Forced Labour

- 3.1.1 The Group recognises the serious issues of forced labour, modern slavery, debt bondage, and human trafficking. These practices often arise from coercive tactics and undue influence by those in positions of higher authority over those in lower positions. This can include both overt actions, such as violence or threats of violence (physical or otherwise), and more subtle forms of coercion, such as debt accumulation, retention of identity documents, isolation, restriction of movement, or threats of reporting individuals to authorities.
- 3.1.2 ANB firmly opposes and will not tolerate any form of forced labour. The Group does not condone and will not be complicit in any work or service extracted from any individual under the threat of penalty and to which said individual has not voluntarily consented.
- 3.1.3 Our commitment to preventing forced labour extends beyond our operations and into the Group's supply chain. We conduct due diligence to identify and mitigate risks of forced labour within our business practices and among our suppliers.

3.2 Child Labour

- 3.2.1 ANB condemns all forms of child exploitation, abuse, and slavery. In line with the Group's commitment to social responsibility, we go beyond compliance with local laws and regulations while embracing the principles of UNICEF's Children's Rights and Business Practices.

3.2.2 ANB maintains a strict policy against the employment of children across our business operations and does not engage with any entities that choose to do so. The minimum age of employment for our workforce shall be guided by the respective local employment laws of the countries in which we operate.

3.2.3 Beyond our workforce, the Group is also dedicated to contributing to the welfare of children in the communities where we operate. This shall be achieved through periodic corporate social responsibility (“CSR”) initiatives specifically designed to address the needs of children, ensuring they have a safe and healthy environment in which to grow and develop.

3.3 Diversity and Equal Opportunity

3.3.1 ANB is committed to fostering a diverse and inclusive workplace. All employees are guaranteed equal opportunities for career development based on their performance, experience, and abilities. The Group follows a merit-based system that ensures all promotions, appraisals, bonuses, benefits, and access to training are awarded fairly and equitably.

3.3.2 The Group maintains a zero-tolerance approach to discrimination. We do not condone any form of discrimination, harassment, abuse, or bullying based on gender, age, race, nationality, disability, or any other physical trait.

3.4 Fair Employment Conditions

3.4.1 The Group strives to provide a work environment and working conditions that promote productivity, workplace harmony, work-life balance, and employee well-being. We ensure compliance with local employment laws and our internal HR policies, especially concerning wages, working hours, overtime, and benefits. Employee recognition is solely based on performance and contributions towards the Group’s success.

3.4.2 The Group’s working hours are regulated by the respective employment contracts, as per local employment laws. Except for rare unavoidable instances or cases where it has been well communicated in advance, we ensure that employees work only during their designated hours to allow for proper rest and recuperation.

3.4.3 ANB recognises and aims to exceed applicable minimum wage requirements set by the countries in which we operate. We strive to ensure that employees receive fair compensation commensurate with their work, enabling them to meet their commitments and live a quality life. The Group is also committed to providing additional contributions to retirement schemes for the welfare of our employees.

3.4.4 In cases where accommodation is provided, the Group commits to taking all necessary measures to ensure decent living arrangements that are comfortable and conducive for human occupancy.

3.4.5 ANB respects the autonomy of workers, regardless of gender, to pursue childbirth. Parents who choose to have children will not be penalised in any way and will be provided with the rights accorded to them by local laws. This includes, but is not limited to, the right to return to work and the right to paid maternal/paternal leave. The Group shall also continually strive to meet the maternal/paternal leave allocations mandated by local regulations in the countries where we operate.

3.5 Workplace Safety and Security

3.5.1 ANB complies with all applicable health and safety laws, regulations, and requirements, both domestic and international. We are dedicated to maintaining a productive workplace and are committed to taking every measure to prevent job-related injuries and illnesses.

3.5.2 The Group takes practical steps to prevent potential risks of accidents and injury to employees by following proper Occupational Safety and Health (“OSH”) procedures and protocols in the workplace. We ensure that all employees, particularly those in high-risk work environments, are provided with the necessary training and equipment to perform their jobs safely. These systems and procedures are regularly reviewed, managed, and updated to ensure a consistently safe workplace.

3.5.3 In the event of a workplace incident, the Group commits to making all reasonable efforts to provide first aid, medical care, and/or access to extended medical attention, regardless of the cause of the incident. Should the provided care be deemed insufficient or if the affected individual is dissatisfied with the care received, ANB permits them to seek alternative means of aid. This includes the provision of adequate medical leave allowance and/or insurance or financial assistance, as stipulated in said individual’s terms of employment.

3.5.4 Aside from OSH, the Group strives to provide a safe and mutually respectful workplace that is free from violence, harassment, humiliation, and intimidation of any nature. All employees are empowered to report any cases or, on behalf of others, any observed or suspected incidents that undermine the safety and security of the workplace. They will also be protected from any repercussions for making such reports if they were done based on fair judgment.

3.6 Freedom of Association and Collective Bargaining

3.6.1 ANB respects freedom of association as part of our commitment to fair and equitable treatment of our workforce. Employees have the right to join or form trade unions of their choosing, and the Group will not refuse any genuine opportunity to bargain collectively with employees who choose to do so. ANB will not discourage employees from exercising their union rights. Any union membership or activities will not result in disciplinary or punitive measures as long as they comply with local laws and regulations.

3.7 Privacy/ Data Protection

3.7.1 The Group respects the privacy of our employees' personal data and treats it with full confidentiality and integrity, in line with local data protection laws. No personal data shall be sold, shared, or used without the explicit consent of our employees, except in cases required by law enforcement or to aid in internal investigations. Personal data collected by the Group shall not be used to make character judgements when it comes to career opportunities. These include, but are not limited to, promotions, appraisals, bonuses, and training access.

3.8 Community Rights

3.8.1 ANB is committed to maintaining strong relationships with local communities in the areas where we operate. Whenever relevant, we strive to proactively engage these stakeholders and minimise potential negative impacts from our business operations.

3.8.2 The Group acknowledges the rights and freedoms of local Indigenous and ethnic minority groups in the regions we operate, including their right to self-determination. Where these groups are present, we aim to ensure their effective representation and participation in decision-making processes that involve their land rights and cultural sensitivities, in line with local laws.

3.9 Stakeholder Engagement

3.9.1 The Group shall undertake continuous engagements with relevant stakeholders to identify and assess potential human and labour rights implications across our operations.

3.9.2 Primary stakeholders involved in this process include, but are not limited to, the Group's employees, suppliers, customers, regulators, and local communities. If deemed necessary, ANB will also extend these engagements to additional stakeholders such as non-governmental organisations ("NGOs"), the public, and any other parties indirectly involved in our daily operations.

4. Communication and Training

4.1 The parties (as outlined in **Section 2**) shall ensure that this Policy is effectively communicated to all employees of the Group and its subsidiaries during orientation and through ongoing internal training sessions.

4.2 The Policy can be accessed on the Group's corporate website (at: https://www.ancomnylex.com/corporate_governance.php). It is also disseminated internally to all relevant subsidiaries.

4.3 Where necessary, translations of the Policy will be provided to accommodate the language needs of the Group and its subsidiaries. In cases of discrepancy, the English version shall prevail.

5. Policy Non-Compliance

- 5.1 Non-compliance with this Policy includes any actions or behaviours by personnel that violate the commitments outlined in **Section 3**. We take proactive measures to monitor and identify our operations for potential cases of human rights abuses to mitigate these risks.
- 5.2 In the event of a suspected or observed non-compliance, a formal report can be submitted by both internal and external stakeholders per the Group's **Whistle-Blowing Policy and Guidelines**. The confidentiality of the whistleblower is guaranteed, with the information kept strictly confidential throughout and after the investigation process.

The report can be submitted through the Group's online whistle-blowing form (at http://www.ancomnylex.com/whistle_form.php) or the following channels:

Chief Integrity Officer ("CIO")

Email : cio.integrity@ancomnylex.com

Tel : 603-749 55080

AC Chairman

Email : mytinafoo@gmail.com

Tel : 6012-887 1661

- 5.3 Personnel found in violation of the Policy will be disciplined based on the severity of the case, ranging from written warnings to suspension or termination of employment. In cases where it is deemed necessary, the relevant authorities may be involved in taking further action.
- 5.4 Suppliers identified to have significant human rights risks or deliberate and repeated infringements will be distanced, potentially leading to termination of contracts and the business relationship.

6. Policy Review

- 6.1 This Policy shall be reviewed periodically to ensure it remains relevant and effective. The Group reserves the right to make necessary updates and amendments to the Policy without prior notice to ensure it reflects changes in regulatory requirements, industry standards, or business priorities.
- 6.2 This Policy has been reviewed and approved for adoption by the Board on 16-January-2025.

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