



SCIENTEX PACKAGING (AYER KEROH) BERHAD
(Formerly known as DAIBOCHI BERHAD)

**CODE OF CONDUCT
FOR SUPPLIERS**

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BACKGROUND

Scientex Packaging (Ayer Keroh) Berhad (formerly known as Daibochi Berhad) group of companies (hereinafter referred to as “SPAK”), recognises that all its suppliers are good partners and endeavours to trade with them fairly and in good faith to achieve sustainable development, as well as to create a better society and environment.

One of the main goals of this Code is to ensure all suppliers are aware and committed to SPAK’s sustainability principles. SPAK urges suppliers to advocate and work towards incorporating sustainable development practices embedded with ethical business conduct into their own processes and supply chains, such as those outlined in this Code.

APPLICATION

This Code applies to all suppliers and their employees, agents, contractors and related entities that are engaged in the provision of goods and/ or services. Suppliers must ensure they are fully aware of this Code whether it is being provided directly to them or posted on SPAK’s website.

ENVIRONMENTAL COMMITMENTS

Suppliers are required to comply with all existing environmental legislation and are strongly encouraged to conduct their business in an environmentally responsible manner to protect natural resources and reduce their environmental impacts.

To this extent, suppliers are encouraged to adopt and conduct their operations and procedures in line with the following environmental related principles:

- Suppliers must ensure that their operations uphold sound environmental practices (whenever possible) which manage and address the following key environmental conscious aspects:
 - ❖ Climate change impact including CO₂/ GHG ¹emissions
 - ❖ Energy use
 - ❖ Water use
 - ❖ Biodiversity impacts
 - ❖ Pollution
 - ❖ Waste management
 - ❖ Responsible resource utilisation

¹ Carbon Dioxide/ Greenhouse Gas

- Suppliers must comply with all relevant rules and regulations pertaining to the environment, through measures which may include, but not limited to:
 - ✓ Constantly aware of all environmental related laws and regulations, which may include the application of permits and licenses.
 - ✓ Facilitate the conduct of site visits, inspections and audits conducted by authorities or regulators.
 - ✓ Formulate environmental protection policies and adopt appropriate environmental management standards and systems.
 - ✓ Implement environmental management measures to reduce the negative environmental impact of their business operations, products, services and others.

For further guidance and more information regarding SPAK's commitment to the environment, suppliers are encouraged to familiarise and understand our Environmental Policy available on SPAK's website.

SOCIAL COMMITMENTS

Labour and Human Rights

Suppliers shall promote and uphold protection of human rights and are expected to treat their employees fairly, with respect and in compliance with laws and regulations.

To this extent, suppliers are encouraged to adopt and conduct their operations and procedures in line with the following principles:

- Will not hire any worker under the local legal minimum age for employment.
- Will only hire an individual based on their own free will to work. No forced or unpaid labour, whether jail, bonded, indentured, or otherwise, will be used. Any form of human trafficking is prohibited.
- Prohibited from discriminating against current or prospective personnel on the basis of colour, ethnicity, nationality, faith, age, gender, disability, or any other protected feature under existing statute, ordinance or rule.
- Will treat employees with integrity and respect and will not use threats of aggression, punishment, coercion or abuse.
- Will respect the right of employees to form and bargain collectively in a lawful and peaceful manner.
- Will follow and comply with laws and regulations regulating labour practices at areas where the suppliers' operations are carried out.

Safety and Health

Suppliers are expected to provide and maintain a proper, safe and healthy working environment in accordance with all applicable safety and health regulations in the jurisdiction of operations.

To this extent, suppliers are encouraged to adopt and conduct their operations and procedures in line with the following social related principles:

- To put in place reasonable and necessary controls to eliminate or reduce risk of incidents, injuries and exposure to harmful hazardous substances.
- To provide adequate and appropriate resources to support safe work practices and processes.
- To review the safety and health practices and processes for continuous improvement.

BUSINESS ETHICS

Implementing ethical business practices is key for SPAK when it comes to building long-term relationships with suppliers. Hence, suppliers are expected to adopt and adhere to SPAK's ethical guidelines as set out hereinbelow:

- **Business Conduct**
Suppliers are expected to ensure that all products and services delivered or completed comply with the specifications, quality and safety requirements as regulated by applicable laws and regulations and/ or as mutually agreed between the supplier and SPAK. Suppliers shall undertake proper and accurate preparation, issuance, and safekeeping of documents or records in line with applicable legal requirements and accounting practices, including any documentation submitted during engagement with SPAK.
- **Legal Compliance**
Suppliers are to conduct their businesses in full compliance with the applicable laws and regulations in the countries and jurisdictions which they operate in.
- **Anti-Bribery and Anti-Corruption**
Bribery, blackmail, and corruption are strictly prohibited for all suppliers. All business transactions and engagements should be conducted in a straightforward, fair and transparent manner. Bribes or other forms of unfair or inappropriate benefit to affect or influence commercial decisions shall not be granted, allowed or accepted by any supplier. Further information on SPAK's anti-bribery and anti-corruption measures can be found in SPAK's Anti-Bribery and Anti-Corruption Policy as published on SPAK's website.

- **Confidentiality**
Suppliers are to ensure the confidentiality and security of all non-public information concerning SPAK and are not to disclose or reveal or cause to be disclosed or revealed any such information, including intellectual property, without prior written consent from SPAK.
- **Conflict of Interest**
Suppliers are expected to disclose immediately to SPAK if they become aware of any situation that is or may appear to be a conflict of interest.
- **Fair dealing**
Suppliers are expected to conduct their businesses in a fair and honest manner and shall not engage in any form of action that may prevent a fair and competitive business environment, including bid-rigging, cartels and abuse of dominant bargaining position.
- **Communication with Local Communities**
Suppliers are encouraged to conduct and perform activities that contribute to the sustainable development of local communities.

MONITORING

SPAK expects its suppliers to be able to exhibit conformity with this Code in their supply chain which may involve monitoring and regulating the supply base or sources. New suppliers are to be evaluated to ensure compliance to the requirements of this Code. Additionally, suppliers are subject to an assessment, as and when necessary. Assessment may include a self-assessment questionnaire and where necessary, further information may be requested through calls, meetings and on-site audit. Should there be any violations, proper reporting procedures will be carried out and SPAK will initiate an open communication with the supplier upon assessment to manage such situation to ensure compliance and continuous improvement.

REPORTING OF VIOLATIONS

Suppliers may settle complaints and issues using a mutually agreed-upon, transparently recorded procedure that is adopted and approved by all parties involved. Any violations of this Code may be reported to the superior or Head of Department or any other suitable management representatives of SPAK. For anyone reporting a violation, the individual shall, to the extent legally permissible, have the right to remain anonymous.

Alternatively, serious violations may also be reported via SPAK's whistleblowing procedures whereby any party can submit reports confidentially and anonymously, where legally permitted. SPAK has a non-retaliatory Whistleblowing Policy and assures that there shall be no adverse consequences for any party who, in good faith, alerts Management of possible violations of this Code.

COMMUNICATION

This Code is available for access on SPAK's website.

GUIDANCE AND ASSISTANCE

If any supplier has concerns or queries on the application of this Code, you may contact our Procurement Department or the relevant Head of Department for further guidance and consultation.

REVIEW OF CODE

This Code can be modified or amended by the Board of Directors of SPAK ("Board") from time to time as it deems necessary. Modifications and amendments may be initiated as necessary in order to ensure compliance with laws and regulations and/ or to accommodate organisational and business developments within SPAK. The Code shall be made effective upon the approval of the Board and after the same is made publicly available.

This Code of Conduct for Suppliers has been approved by the Board on 22 June 2021 and updated with the new name of the Company with effect from 30 December 2021.