

MODERN SLAVERY STATEMENT FY2022

INTRODUCTION

Hartalega is the world's leading nitrile glove manufacturer. We are committed to manufacturing and supplying high quality gloves to protect healthcare workers and other glove users globally. Our strong business ethics and values are reflected in how we conduct ourselves daily in all aspects of our business, ensuring that the rights and welfare of all Hartanians are supported and protected at all times.

We strictly adhere to Malaysian labour laws and regulations pertaining to the recruitment of employees and other aspects of operations. This is reflected through our social compliance policies which are aligned with local and international benchmarks against child labour and young workers, workplace discrimination, modern slavery, human trafficking and forced labour.

We do not engage in, or support, any modern slavery or human trafficking activities. In all that we do, we go above and beyond to ensure that regardless of nationality, race, religion, gender or age, all our Hartanians are treated with fairness and respect.

OUR BUSINESS STRUCTURE AND SUPPLY CHAIN

With 35 years of experience, we house two manufacturing facilities in Malaysia, employing over 8,000 local and migrant workers to meet our business needs. We export to over 70 countries and procure materials from local and international suppliers.

At the heart of the Group, safeguarding the welfare of our people is of utmost priority. Towards this end, our dedicated Social Compliance Department drives the implementation of our governing policies, which are aligned with local and international human rights standards and labour laws.

In collaboration with other departments within the Group, the Social Compliance Department is responsible for executing social compliance strategies and overseeing internal and external social audits to make appropriate recommendations for improvement and corrective action plans. Led by our CEO, we conduct reviews of key social compliance risks and opportunities across the Group's operations as well as manage stakeholder engagement activities concerning the Group's labour practices.

POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

As a staunch advocate of human rights, Hartalega is committed to local and international standards. Our commitment is articulated in the strict policies that we have implemented, requiring our people to act in accordance with all applicable human rights standards and laws. These policies create the foundation to inculcate responsible and sustainable practices across our operations and supply chain.

Our policies are available on our [Corporate Governance](#) page.

ASSESSING HUMAN RIGHTS RISKS

Effective risk management is critical to good corporate governance. With this in view, we are dedicated to continuously enhancing our social compliance practices, which also serves to reduce the potential impact of risk factors on the Group.

To identify potential gaps and areas of improvement, we proactively monitor our performance and undertake risk-based social assessments and audits, in accordance with the codes of conduct of our clientele and international standards such as Sedex Members Ethical Trade Audit (SMETA), Business Social Compliance Initiative (BSCI) and Worldwide Responsible Accredited Production (WRAP) certification.

This enables us to work towards closing any existing gaps and improving the overall human rights performance of our business operations and supply chain.

DUE DILIGENCE

At Hartalega, we are committed to upholding human rights beyond our operations via responsible supply chain management. In addition to requiring all suppliers to fully comply with our Supplier Code of Conduct, we have enhanced our due diligence process alongside continuous supplier engagement. We also put in place due diligence efforts towards responsible recruitment and other areas in our operations.

Hartalega regularly undergoes customer-appointed external audits, as well as self-initiated external audits. To date, both of our existing facilities, the NGC and Bestari Jaya, have completed numerous external audits as per the client code of conduct and internationally recognised schemes such as SMETA, BSCI and WRAP. In FY2022, 24 external audits on social compliance were carried out at the NGC and Bestari Jaya facilities to assess the implementation of social compliance procedures and policies.

Our facilities received an overall rating of A in the amfori BSCI audit during the year under review. As at December 2022, we have also achieved Gold rating in WRAP certification for both of our manufacturing facilities. We also continue to be a member of the Supplier Ethical Data Exchange (SEDEX) since 2019.

MANAGING RISKS

To ensure that the rights of workers in our supply chain are respected, we continue to intensify efforts at managing possible risks.

As part of our supply chain management, to ensure that the rights of workers in our supply chain are respected, multiple steps have been taken prior to working with any socially compliant suppliers:

- Implemented Supplier Code of Conduct;
- New suppliers and sub-contractors must undergo pre-assessment audits which are aligned with social compliance standards, allowing us to identify potential human rights impacts;
- Existing service providers are also evaluated to assess their compliance with social compliance

- guidelines; and
- Continuously training suppliers on social compliance matters.

We have put in place stringent measures for the recruitment of migrant workers:

- Implemented Zero Cost Recruitment Policy;
- Having a third-party auditor assess the selection of recruitment agents to ensure they are socially compliant;
- Appointing an NGO to provide oversight in the recruitment process in source countries to ensure no risk of modern slavery;
- Sending our HR personnel to source countries to brief and recruit the workers;
- Appoint lawyers in source countries to go through employment contracts with our recruits.

If any contractors or agents are found to have violated any of our recruitment policies, the relationship with Hartalega will be suspended or terminated following an in-depth investigation.

We have in place multiple whistleblowing channels for employees to report their grievances:

- Elected workers' representatives;
- Social Compliance department where grievances are reported directly to the CEO;
- HR representatives; and
- Whistleblower channel administrated by 3rd party professional services firm.

We also continuously perform audits to ensure all policies are adhered to strictly throughout our operations:

- Internal social compliance audit;
- BSCI audit;
- SMETA audit; and
- WRAP certification audit.

OUR ACHIEVEMENTS

As a responsible employer, we understand the importance of continuously upholding our good practices. Our dedicated efforts and commitment to continuous improvement have enabled us to achieve the following:

- Our NGC and Bestari Jaya facilities received an overall rating of A in the amfori Business Social Compliance Initiative (BSCI) audit;
- We also improved our screening process by performing environmental and social impact assessments on all new and existing suppliers categorised as high-risk;
- Conducted multiple trainings where each training programme recorded an attendance of approximately 80% of invited strategic suppliers, all of which gave positive feedback;
- Continue to be a member of the Supplier Ethical Data Exchange (SEDEX) since 2019;
- Included in the FTSE4GOOD Bursa Malaysia index since 2014;
- Scored in the low-risk category in Sustainalytics;
- In December 2022, we also received Gold rating by WRAP certification for both of our manufacturing facilities

TRAINING AND AWARENESS

We take matters relating to people very seriously in our organisation. We believe in investing in our people and will not take any business decision or action that will cause harm to our people, the community or the environment.

In making sure that our organisation is aligned with this, we provide training to our Hartanians to ensure that all our employees understand our policy of eliminating forced labour, child labour and human trafficking. Hartanians are required to understand and adhere to all our policies. Hartanians are briefed on these policies through an online and physical sessions. These policies are also available on our e-learning platform. Hartanians' understanding of the policies is assessed through questionnaires administered at the end of each learning session.

LOOKING AHEAD

We will continue to engage proactively with key stakeholders to gather valuable insights and constructive feedback. We firmly advocate for action to prevent modern slavery from occurring within the operations and supply chain by including a Modern Slavery Statement in our business practice.

We will also continue to strongly uphold social compliance and adherence to our policies to ensure there is no modern slavery or human trafficking in Hartalega. More information on this can be found in our latest [Annual Report](#).

This statement is approved by the Hartalega's Board of Directors and is signed on behalf of the Hartalega's Board of Directors by:

[Original copy signed]
Kuan Mun Leong
Chief Executive Officer
Hartalega Holdings Berhad