

OUR SUSTAINABILITY POLICIES

Our Sustainability Policies have been well established since 1996 after the launching of the Corporate Philosophy and Quality Policy.

The policies are based on the 3 key pillars of sustainability, namely Environment, Social and Governance (ESG) as below:

- Our Corporate Philosophy and Quality Policy
- Our Environmental Policy
- Our Biodiversity Policy
- Our Social Accountability Policy
- Our Occupational Safety And Health Policy
- Our Drug And Alcohol Abuse Policy
- Our Violation Policy
- Our Zero Tolerance Policy
- Our Whistleblowing Policy
- Our Recruitment Policy
- Our Training and Communication Policy
- Our Business Continuity Management Policy
- Our Sustainable Purchasing Policy
- Our Supplier Policy
- Our Anti-Bribery and Corruption Prevention Policy
- Our Facilities Management Policy

The Sustainability Policies shall be reviewed to ensure its continued applicability and relevance to our operations. We will create transparency by communicating the sustainability details to employees, customers and all other stakeholders.

OUR CORPORATE PHILOSOPHY

"QUALITY IS OUR WAY OF LIFE"

OUR QUALITY POLICY

To provide quality consistency in products and services, facilitate quality enhancement in human resources, and make quality contribution with respect to social responsibilities.

To also continually review and improve on the effectiveness of our quality management system.

Quality Consistency in our Products & Services

- Commitment to maintain conformance to standards, customers' specific requirements and other relevant compliance obligations.
- Assurance of reliability to secure customer satisfaction

Quality Enhancement in our Human Resources

- Upgrading our personnel through training and development
- Building and maintaining an environment conducive to participation, personal growth and creativity

Quality Contribution in our Social responsibilities

- Proactive approach to quality of life and of the environment
- Sensitivity to the needs of the community and the environment in which we operate

OUR ENVIRONMENTAL POLICY

As a leading natural rubber processor in the region, we recognize our environmental responsibilities toward society and future generations.

We strike to implement an effective Environmental Management System to support and enhance the environmental performance from potential impacts of our activities, products and services in the use of products as well as products End-of-Life.

We are committed to:

- protect environment through:
 - a. prevention of pollution by adopting reduce, re-use and recycle practices where possible
 - b. efficient use of materials and natural resources
 - c. creation of environmental awareness among employees on meeting their environmental responsibilities
- fulfill relevant environmental compliance obligations
- continual improvement of our environmental management system to enhance environmental performance

OUR BIODIVERSITY POLICY

Economic and social development is hugely related to the use of natural resources, affecting the availability and the integrity of ecosystems and the biodiversity. We are committed to preserve a healthy ecosystem which is an essential condition for global sustainability. This includes the responsibility to protect the vulnerable ecosystems, biodiversity and protecting its natural environmental resources.

In this regard:

- a. Any business activities carried out by the company shall conform to sustainable development, taking into consideration of environmental issues, and that such activity is carried out in accordance with applicable legislative requirements,
- b. We shall influence our relevant suppliers in upholding the responsibility to protect the vulnerable ecosystem, biodiversity and protecting its natural environmental resources where applicable.

OUR SOCIAL ACCOUNTABILITY POLICY

We are committed to provide a socially accountable work environment to all employees and uphold ethical business practices by supporting and respecting employees' rights. We shall not be complicit in human rights abuses. We shall comply with applicable laws and regulations on Social Accountability.

Forced Labor

- Shall not use forced labor in the production of our products.
- The overall terms of employment are voluntary.

Child Labor

- Shall comply with local minimum age legislations and requirements.
- Shall not employ child labor in the production and marketing of our products.

Workplace Safety and Health

- Shall provide a safe and healthy working environment at our workplace and a working environment respectful of their family lives.
- Shall take adequate steps to prevent any likely accidents and occupational illness.

Environment

- Shall comply with relevant legislations, regulations and other requirements.
- Shall make continual improvements of environmental performance and also prevention of pollution in our activities.

Remuneration

- Shall compensate our employees with wages and benefits that meet the legal requirements.
- Shall not withhold pay due to disciplinary or punitive reasons.

Working Hours

- Shall not force our employees to work more than the maximum hours that required by laws.
- Shall comply with overtime pay requirements.

Discrimination and Harassment

- Shall prohibit discrimination based on race, color, age, gender, sexual orientation, education, religion or disability.
- Prohibiting of any threats or use of violence, harassment or intimidation directed towards each other

Freedom of Association

- Shall allow employees to freely join any organization which is complied with national laws.
- Shall also include the freedom of employees not to be forced to join a group

Labor Relations & Disciplinary Practice

- Shall proactively promote the direct contact between employer and employees for improving the labor relations.
- Shall at all times treat all employees with dignity, honest and respect.
- Shall employ local employees to the greatest extent practicable and provide training with a view to improving skill levels.

Information Security

- Shall ensure that all information hold or are responsible for is safeguarded against inappropriate disclosure and secured from any threats that will breach the confidential information of the company.
- Shall ensure information technology users within the company to understand both their legal and ethical responsibilities concerning information, and empower them to collect, use, store and distribute it in appropriate ways.

Business Ethics

- Shall uphold the highest standards in business ethics and integrity for the fair, honest and non-conflict of interest business practices; work against all forms of corruption, including extortion, bribery, fraud or unethical practices of any kind.
- Shall refrain from anti-competitive practices and support in fair, free and open market.
- Shall comply fully with all applicable money-laundering laws throughout the world.

Responsive Marketing for Dealing with Customers

- Shall be honest and fair with our customers, competing fairly for their business; promises, gifts and any forms of corruption are strictly prohibited to be used as a way to obtain the advantages in market share.
- Shall respect their privacy and provide them safe and quality products and services under the conditions we promise.

Respect for Stakeholders

- Shall be transparent, respectful and fair to local populations, company owner, suppliers and other stakeholders outside our organization who may be affected by our operations.

- Shall work collaboratively with our communities to enhance the well being of others.

In order to ensure that this policy is understood, implemented and maintained at all levels of the company and by all those working with the company, the top management has put into practice the following initiatives:

- Displaying this policy at prominent places within the organization for easy access,
- Providing a copy of this policy (hard or soft copy) for perusal by all personnel within the organization
- Meeting between the company's management staff and workers.

OUR OCCUPATIONAL SAFETY AND HEALTH POLICY

We firmly believe that promoting a positive culture and climate on health and safety in the environment we operate is fundamental to our business success and to our sustainable growth.

We are therefore committed to establish, implement and continually make improvements to our Occupational Safety and Health Management System for eliminating or minimizing risk to our employees and other parties whom may be involved.

We will undertake the following provisions for our safety and health management system:

- Ensure safe, healthy and clean working environment
- Prevent any likely accidents and occupational illness through effective hazard identification, risk assessment and risk control
- Create strong safety and health awareness among the whole organization
- Improve existing activities for total compliance of all relevant laws, regulations and code of practices
- Conduct regular reviews and audits of all operations

OUR DRUG AND ALCOHOL ABUSE POLICY

Employees are our valuable resources and their health & safety are our great concern. Drug or alcohol abuse will pose a serious threat to our employees' health & safety. Employees abusing alcohol or drugs are not only a danger to themselves, but also to their families, colleagues and the company's assets. It is, therefore, the policy of our company to prevent and eliminate any event abuse of drug and alcohol at the workplace.

We are fully committed to undertake adequate and appropriate measures that will:

- * Promote a safe and healthful working environment which is free from illegal or abusive use of drugs or alcohol,
- * Assist employees who are suffering from drug or alcohol related problems seek for rehabilitation services,
- * Increase individual awareness and responsibility on the prevention and elimination of drug and alcohol abuse,
- * Enable of reviews on existing policy and effectiveness of preventive programs relevance to the illicit drug use and alcohol abuse.

OUR VIOLATION POLICY

We are committed to provide a socially accountable work environment to all persons at the workplace by *supporting, respecting and promoting environmental, labor practices, human rights and business ethics*.

In respect to the commitment, we will not be tolerated should any violations of the incidents related to environmental, labor practices, human rights and business ethics where occurred in the workplace. *Disciplinary action* will be taken against any employee who violates the policies.

OUR ZERO TOLERANCE POLICY

We are committed to provide a socially accountable work environment to all employees and uphold ethical business practices by supporting and respecting employees' rights.

In respect to the commitment, we will not be tolerated should any of the incidents occurred in the workplace:

- Forced and child labor
- Discrimination based on race, color, age, gender, sexual orientation, education, religion or disability
- Physical abuse, harassment, mental or physical coercion and verbal abuse
- Corruption and bribery
- Breaching of information security
- Money laundering
- Fraud
- Creating of conflict of interests

Disciplinary action will be taken against any employee who violates this zero tolerance policy.

OUR WHISTLEBLOWING POLICY

1. Commitment

We are committed to high standard of transparency, accountability and ethic at the workplace. We shall practice good corporate governance and uphold integrity in all its operational activities and business dealings.

2. Objectives

The purpose of this policy is to establish an accessible and confidential trusted reporting channel (whistleblowing channel) which may be used anonymously for internal and external parties to raise concerns in relation to real or suspected wrongdoing incidents or inadequacies of any of our Sustainability Policies.

3. Definition

“Wrongdoing” shall include bribery and/or corruption incidents, financial transactions that may disguise corrupt payments money laundering, actual or suspected fraud, misappropriation of monies, misrepresentation, concealment of facts or information with intention to mislead, violation of laws and regulations, endangerment of personnel or public health and safety, violation of company’s policies and procedures, illegal unethical favors or privileges, criminal offences and blackmailing.

4. Reporting in Good Faith

Personnel, business associates and all internal and external parties are to be encouraged to raise concerns and to report, in good faith, any real or suspected wrong doing incidents or inadequacies of any of our Sustainable Policies at the earliest possible stage.

5. Protection against Retaliation and Reprisal

We note that personnel and business associates who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.

We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential wrongdoing has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

6. Confidentiality

All complaints reported to the company are to be treated highly confidential. Information will only be disclosed on need-to-know basis. The identity of the whistleblower will not be revealed unless it is required by laws or with the permission of the whistleblower (reporting person).

7. Reporting Channel

Any improper conduct or wrongdoing shall be reported immediately to the Integrity and Governance Unit of the Company who then will perform a preliminary assessment of the seriousness of the matter disclosed. The contact particulars of the Integrity and Governance Unit (IGU) are as follows:-

Integrity and Governance Unit (IGU)

LRG Rubber Sdn Bhd

28th Floor, Wisma Lee Rubber,

Jalan Melaka, 50100 Kuala Lumpur,

Malaysia.

Attn: Ho Han Boon

Email: hohanboon@leeselangor.com.my

Tel: +6012 7988509

Whistleblowing and reporting of concerns may be made anonymously. All whistleblowing and reporting of improper conduct in good faith and not for malicious intent will be investigated and dealt with appropriately. However, a whistleblower is encouraged to identify himself/herself when reporting for credibility purposes and to allow an avenue for the us to follow up to ascertain the facts or to obtain further information for investigation purposes. Whistleblowers are also encouraged to attach reliable evidence to substantiate the disclosure and assist in the investigation.

To facilitate the use of the whistleblowing or reporting channel, we have prepared a Whistleblowing Form annexed to this Whistleblowing Policy which may be used. The Whistleblowing Form may be submitted together with additional sheets for additional witnesses or supporting evidence if necessary.

Whistleblowers may make reports using the Whistleblowing Form or they may do so in any other format of letters, email or even orally.

Whistleblowing Form

Important Notice

All whistleblowing and reporting of improper conduct made in good faith and not for malicious intent will be investigated. This Whistleblowing Form may be used anonymously, but a Whistleblower is encouraged to identify himself/ herself when whistleblowing and reporting for credibility purposes and to allow an avenue for the Group to follow up to ascertain the facts or to obtain further information for investigation purposes. You are encouraged to attach reliable evidence to substantiate your disclosure and assist in the investigation. You may use additional sheets for additional witnesses or supporting evidence if necessary.

Section A: Disclosure Details

Questions	Answer/ Explanation
Name of person(s) involved in the incident or issue	
Department/Designation :	
If money involved, please indicate the amount involved?	
Do you suspect any other people that are involved? Please provide the details, if any.	
Do you suspect that the management is involved? Please provide the details, if any.	
Have you notified anyone? Please provide the details, if any.	
Any witnesses? Please provide the name, department and other relevant details.	
Date, Time and Location of the incident or issue?	

How did you discover the incident or issue?	
Please provide a description of the incident or issue.	

Section B: Whistleblower Details

Are you a personnel of the LRG Rubber Sdn Bhd	
Name (Not mandatory)	
Contact Number of E-mail Address (Not Mandatory)	

OUR RECRUITMENT POLICY

We are committed to apply the principles of equity, fairness and transparency to all recruitment processes. All candidates shall be communicated with this policy prior to recruitment begins.

The principles which guide us include:

- Prohibiting discrimination based on race, color, age, gender, sexual orientation, religion or disability.
- Not offering employment to prospective candidate in return for them or any other persons having improperly favored the company;
- Not offering employment to prospective candidate to secure improper favorable treatment for the company either by reason of the candidate's relationship with public officials or for any other reasons
- Acquiring high performing, quality applicants who match the competencies and behavioral requirements of company.
- Conducting recruitment and related practices with due regard that remain free from any form of favoritism, nepotism or biases.
- Performing all related activities with due regard to privacy and confidentiality.
- Promoting voluntary career mobility in enhancing employee career satisfaction and improving talent retention levels.
- All recruited employees shall be paid on a fixed salary which is above the minimum wages as imposed by the laws and regulations.
- Priority is given to our employees to apply for open positions within the company (i.e: internal recruitment) in promoting opportunities for personal development and growth.
- Ascertaining as far as is reasonable that it is appropriate to employ or redeploy the candidates concerned and that it is reasonable to believe that they will comply with our Anti-Bribery and Corruption Prevention Policy and other Sustainable Policies and related policies and procedures.

OUR TRAINING AND COMMUNICATION POLICY

In consistent with our Quality Policy Statement: Quality Enhancement in our Human Resources, we recognize that a competent, motivated and well-trained employee is essential to continued company success.

It is hence our policy to upgrade our personnel through training and development. We are committed to build and maintain an environment conducive to participation, personal growth and creativity.

Training and development is intended to equip employees with the skills, knowledge and awareness to enable them to discharge their duties in a manner of competent and confident. Every manager and supervisor holds a responsibility to ensure that their team has the requisite competency.

All measures shall be taken to ensure equal access to opportunities for training and promotion. We will endeavor to provide appropriate training to enable employees to perform their jobs efficiently and pursue career development opportunities. Training shall be given to all employees based on their training needs regardless of gender, age, disability, responsibility for dependants, belief, race, religion or ethnic origins, sexuality, pregnancy or maternity and nationality.

In particular, we will provide training and communication to our personnel and business associates covering (1) our Anti-Bribery and Corruption Prevention Policies as well as the other Sustainable Policies and related policies and procedures, (b) how to have access to our training classes and materials, (c) how to use our Reporting Channel (Whistleblowing Channel) and our Whistleblowing Policy, and (d) the consequences of any failure by personnel and business associates to comply with our Anti-Bribery and Corruption Prevention Policies as well as the other Sustainable Policies and related policies and procedures. Our training and communication will be carried out in both English and Bahasa Malaysia.

This Training Policy shall be monitored and reviewed to ensure its continued applicability and relevance to our operations.

OUR BUSINESS CONTINUITY MANAGEMENT POLICY

We are committed to:

- safeguard the human, environmental, technological & physical resources during an incident,
- minimize the impacts of an incident on our employees and local community,
- deliver products whilst responding to an incident with minimum impact on our customers,
- resume operations as quickly as possible.

OUR SUSTAINABLE PURCHASING POLICY

We recognize our responsibilities to minimize negative impacts on environmental, labor practices and human rights while upholding high ethical business practices along our supply chain.

It is our policy to:

- Promote the purchase of sustainable resources including recycled/recyclable supplies
- Promote goods and services that are environmentally friendly
- Influence in upholding of the responsibility to protect the vulnerable ecosystems, biodiversity and protecting its natural environmental resources.
- Ensure the health and safety of people at the workplace
- Respect for the labor practices and human rights
- Utilize the best practices in sustainable purchasing as they evolve
- Comply with all applicable legislative requirements that govern our purchasing activity relating to environmental, labor practices, human rights and business ethics.

In accordance with our commitment to the highest standards, we also expect our suppliers to aspire to the same standards in their business operations, including but not limited to:

- Environment
 - a. Observe all the applicable environmental laws in the respective countries,
 - b. Promote greater responsibility in environmental protection and pollution prevention.
- Labor Practices and Human Rights
 - a. Comply with all applicable laws and compliance obligations,
 - b. Prohibit slavery and the use of forced or child labor across the supply chain,
 - c. Prohibit unlawful discrimination and harassment at the workplace.
- Business Ethics
 - a. Obey all relevant local and international legislative requirements regarding ethical business practices,
 - b. Zero tolerance to money laundering, fraud, bribery, corruption, creating conflict of interest and breaching of security issues.

OUR SUPPLIER POLICY

We are committed to work with our suppliers in high ethical business practices for the creation of professional and sustainable partnerships.

We expect our suppliers to:

- Have zero-tolerance for corruption and bribery in any form and in particular, to undertake not to corruptly give, agree to give, promise or offer to any person any gratification with intent to obtain or retain business for us or to obtain or retain an advantage in the conduct of or business,
- Be prohibited from participating or supporting fraud activities, or money laundering under any circumstances,
- Refrain from presenting any lavish or excessive gifts, entertainment, hospitality or invitations that would create a conflict of interest to the company's employees,
- Refrain from presenting any lavish or excessive gifts, entertainment, hospitality or invitations to any third party when performing any services for or on our behalf,
- Respect the protection of human rights and labor rights in the issues of remuneration, working times, child labor, forced labor, discrimination, harassment and freedom of association,
- Respect and safeguard intellectual property rights and confidential information of our company and others in conducting business,
- Provide a safe, healthy and well-managed working environment and prevent incidents and accidents,
- Exercise measures to ensure socially and environmentally responsible sourcing of materials in our supply chain in preventing environmental incidents and damage,
- Show good corporate citizenship in areas of operations, in complying with laws and regulations related to bribery and corruption, money laundering, corporate governance, occupational safety and health, human and labor rights, environmental management and taxation.

In contrast, we shall define clearly the terms of payment and make punctual payments of the purchased products and services for the sustainability of our own supply chain.

OUR ANTI-BRIBERY AND CORRUPTION PREVENTION POLICY

We take a “zero tolerance” approach to bribery and corruption. This is an articulation of how the company views acts of bribery and corruption in relations to its business and activities that we:

prohibit bribery or corruption under any circumstances,

- encourage raising concerns in good faith, or on the basis a reasonable belief in confidence, without fear of reprisal,
- assign competence personnel with granted sufficient authorities and work independently to undertake the anti-bribery compliance function,
- respond robustly and decisively to such acts.

We are committed to:

- act professionally, fairly, honestly and with the highest level of integrity and ethics in all our business dealings and relationships wherever we operate,
- manage the key corruption risks we face effectively,
- satisfy the adopted anti-bribery management system requirements,
- comply fully with all applicable laws and regulatory requirements on anti-bribery and corruption prevention,
- improve the anti-bribery management system continually.

We will not be tolerated should any violations of the incidents related to the bribery and corruption issues. Disciplinary action will be taken against any employees who are not complying with the Anti-bribery and Corruption Prevention Policy.

OUR FACILITIES MANAGEMENT POLICY

We recognize our responsibilities in managing and maintaining an effective facility management system which leads to a safe, healthy, reliable and secure working environment to our employees as well as persons at the workplace.

We are committed to:

- a. fulfill relevant facility legislations and other compliance obligations,
- b. keep all facilities in good operating conditions,
- c. minimize the risk of major facility defects which might adversely affect the core work of the organization,
- d. prevent pollution by adopting reduce, re-use and recycle (3R) practices where possible during facility maintenance,
- d. use materials, energies and related resources efficiently for facility management,
- e. create strong awareness among employees and other parties whom maybe involved on the importance of facility management,
- f. conduct regular reviews and audits of facilities to ensure compliance,
- g. improve the effectiveness of existing facility management system continually to enhance the organization's sustainability performance.