



# Supplier Code of Conduct

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KAREX BERHAD (201201034091 (1018579-U)  
(Incorporated in Malaysia)





## Introduction

Karex continuously build an organization that responds to changing views of sexual health and develops products that inspire people to make better, healthier choices. We champion social responsibility and sustainability, not just as moral imperatives but to build better, stronger relationships within our communities.

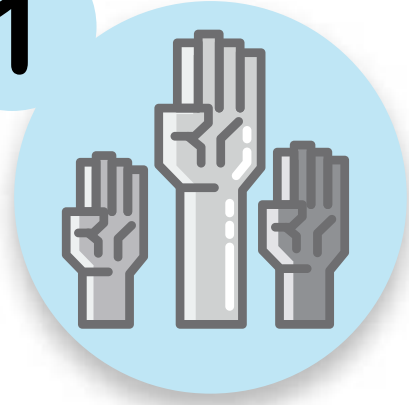
Karex strives to do the same with their suppliers who are leaders in their industries and are willing to demonstrate a strong commitment to sustainable development by adopting health & safety, labor, environmental and ethical principles that ensure the well-being of their employees.

The **Supplier Code of Conduct** is based on Ethical Trading Initiative (ETI) base code. It outlines the company’s expectations in regards to sustainability practices of its suppliers. By adopting this **Supplier Code of Conduct**, Karex aims at promoting sustainable development and minimizing legal, financial and reputation risks.

The **Supplier Code of Conduct** outlines standards to ensure that working conditions in the supply chain are safe, that workers are treated with respect and dignity and that design and manufacturing processes are environmentally and ethically responsible. Suppliers are expected to take all reasonable measures to ensure the respect of this **Code** across their entire business and within their own supply chains.

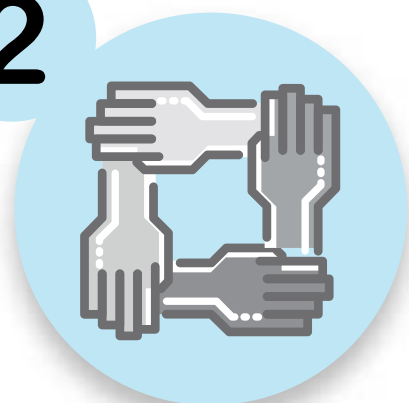
## Our principles as follows:

- 1




**Employment is Freely Chosen**

There is no forced or compulsory labor in any form, including bonded, trafficked, or prison labor. Workers are not required to lodge ‘deposits’ or their identity papers with their employer and are free to leave their employer after reasonable notice.
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**Freedom of Association**

Suppliers shall respect the rights of workers to freely join labor unions, seek representation and join workers’ councils in accordance with local laws, and to bargain collectively.
- 3



**Working Conditions are Safe and Healthy**

A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Workers shall receive regular and recorded health and safety training and such training shall be repeated for new or reassigned workers. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided. Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

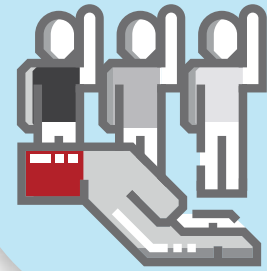
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### Child Labor Avoidance

There shall be no use of child labor in production or anywhere else in the business. The term “child” refers to any person employed under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. The use of workplace apprenticeship programs, which comply with all laws and regulations, is encouraged. Workers under the age of 18 shall not be employed at night or in hazardous conditions.

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### Welfare of Foreign Workers (FW)

The **Supplier Code of Conduct** will be shared to all our suppliers including agents who supplies foreign workers (FW) to Karex; are expected to follow the same principles and apply to their day to day operations. Suppliers or agents who supplies foreign workers (FW) to Karex and/or employ for their own operations, is strictly restricted in conducting and involving in debt bondage and zero recruitment fees. Such fees will not be liable or payable by foreign workers (FW). Passports must be in foreign workers' possession as it is strictly forbidden for Karex and its suppliers to hold or keep their passports. Karex and its suppliers will pay their foreign workers' wages and incentives directly to their bank account as cash payments are not allowed.

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### Working hours, Wages & Benefits

Suppliers will manage operations in ways that overtime does not exceed levels that create inhumane working conditions. Where there are no applicable laws, Suppliers will not require, on a regularly scheduled basis, work in excess of six consecutive days without a rest day.

Wages and benefits paid for a standard working week meet, at a

minimum, national legal standards. All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid. Suppliers must comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. Where no wage law exists, workers must be paid at least the minimum local industry standard.

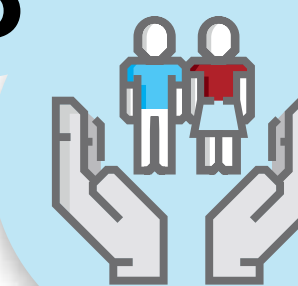
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### No Discrimination is Allowed

Suppliers shall be committed to provide a workplace free of harassment and unlawful discrimination. Suppliers shall not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or civil status in hiring and employment practices such as promotions, rewards, and access to training.

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### No Harsh or Inhumane Treatment is Allowed

Suppliers shall not engage in physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation.



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### No bribery or corruption will be tolerated

The offering, paying, soliciting or accepting of bribes or kickbacks, including facilitation payments, is strictly prohibited.

A bribe may involve giving or offering any form of gift, consideration, reward or advantage to someone in business or government in order to obtain or retain a commercial advantage or to induce or reward the recipient for acting improperly or where it would be improper for the recipient to accept the benefit.

Bribery can also take place where the offer or giving of a bribe is made by or through a third party, e.g. an agent, representative or intermediary. Some examples of bribes are as follows. This is not an exhaustive list:

- lavish gifts, meals, entertainment or travel expenses, particularly where they are disproportionate, frequent or provided in the context of ongoing business negotiations;
- the uncompensated use of company services, facilities or property;
- cash payments; loans, loan guarantees or other credit;
- the provision of a benefit, such as an educational scholarship or healthcare, to a member of the family of a potential customer, public or government official;
- providing a subcontract to a person connected to someone involved in awarding the main contract; and
- engaging a local company owned by a member of the family of a potential customer, public or government official.

Facilitation payments are small payments or fees requested by government officials to speed up or facilitate the performance of routine government action (such as the provision of a visa or customs clearance). Such payments are strictly prohibited. Suppliers, representatives and their employees must comply

with all applicable anti-bribery and corruption laws. Suppliers and representatives shall have in place anti-corruption and bribery procedures designed to prevent employees or persons associated with its business from committing offences of bribery or corruption. Suppliers and representatives will properly implement these procedures into their business and review them regularly to ensure that they are operating effectively.

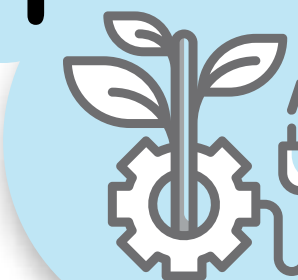
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### Confidentiality

Unless disclosure is authorized or legally mandated (for example by court order), Suppliers should protect the confidentiality of employee and customer information in compliance with applicable privacy legislation, irrespective of whether the information and data was provided by the employee or customer, or was created by the Supplier. Suppliers should consider all non-public information to be confidential.

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### Environmental Responsibility

Compliance with legal requirement

Suppliers must comply with all applicable statutes, regulations, guidelines, codes of practices, orders from and agreements entered into with government authorities relating to the protection and conservation of the environment and sustainability.

### Biodiversity

Suppliers shall make their best effort to maintaining and generate positive impact on biodiversity. They shall take responsibility for the protection of biodiversity in the fields in which they currently operate and will carry on doing so in any future projects.

### **Energy Usage and Greenhouse Gas (GHG) Emission**

Suppliers shall monitor their energy consumption and have proactive approach to reduce greenhouse gas emissions and combat climate change. We expect our suppliers to

- Collect and monitor their carbon footprint and provide data to Karex upon request.
- Establish plans and targets to continuously reduce the greenhouse gas emissions (GHG) of their activities.

### **Water quality and Consumption**

Suppliers shall adopt and have sustainable water management practices in place. We expect our suppliers to

- Collect and monitor water consumption and provide data to Karex upon request.
- Establish plans and targets to reduce the consumption of water

Wastewater shall be treated to meet local legislation before releasing to the environment.

### **Resource Efficiency and Waste**

Suppliers shall continuously improve environment management in order to reduce consumption of natural resources, minimize waste and prevent pollution at the source. We encourage our suppliers to promote the circular use of raw materials and mitigation of environmental impacts from products end-of-life and product use. We expect our suppliers to

- Collect and record data linked to waste production and provide data to Karex upon requested.
- Establish plans and objective to reduce waste
- Dispose of waste in compliance with the applicable laws or, where such laws do not exist, in line with international standards.

### **Chemical**

Supplier shall implement Responsible Chemical Management and comply to all applicable laws and regulations. suppliers shall adopt new processes and best practices, to reduce the environmental impact relating to chemical use.



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### Quality

Any goods supplied shall be without fault and of the best available design, quality, material and workmanship, be fit for any purpose held out by the supplier and representatives or made known to the supplier and representatives or for which they are commonly used and shall conform in all respects with any order and specification and/or patterns or samples supplied or advised by the supplier and representatives. Any services supplied shall be provided by appropriately qualified and trained personnel, with due care and diligence, to such high standard of quality as is reasonable for us to expect in all circumstances and shall conform in all respects with any order.

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### Audit and Termination of Agreements

Karex reserves the rights to verify the supplier's and representative's compliance with the Code. Where supplier and representative reviews or audits demonstrate shortcomings in any of these areas, the supplier and representative should strive to implement a time-bound program of improvement (remediation) leading to conformance. In the event that we become aware of any actions or conditions not in compliance with the Code, we reserve the right to request corrective actions. Karex reserves the right to terminate an agreement with any supplier and representatives that does not comply with the Code.

## Grievance Procedure

This procedure covers activities related to the handling of stakeholders' grievances with respect to the implementation of the Policy. This includes recording grievances, taking actions to verify claims, rectifying any confirmed issues, reporting the verification results and actions on the ground, delivering the response to stakeholders and managing and monitoring any follow-up action.

This Grievance Procedure apply to all worldwide operations and all third-party suppliers. When a complaint against a supplier is submitted to Karex, the Company will engage with the said third-party supplier to discuss the issues raised in accordance with this procedure, with the end objective of resolving the issues. In the event that the supplier does not want to engage in the process towards resolution and compliance with the Company's Policy, Karex will review its relationship with that supplier and may cease the relationship as a last resort.

### 1. Purpose

The purpose of this procedure is to define the process of handling grievances made against Karex's business, including our third-party suppliers. It defines the admissibility, registration and processing of complaints.

### 2. Objective

Provide a clear, appropriate and comprehensive response to the grievance in order to prevent disputes as far as possible and resolve any issue in relevance to the Policy. We are committed to ensuring a transparent and open process with updates on the grievance provided on the Karex.com website.

### 3. Scope

When a complaint against a supplier is submitted to Karex, we will engage with the named supplier to discuss the issues raised in accordance with this procedure, with the objective of resolving the issues. In the event that the supplier does not engage effectively in the process towards resolution and compliance with the Policy, Karex will review its relationship with that supplier and may cease the relationship as a last resort.

## 4. Responsibilities

### 4.1. Procedure Revision

This procedure will be reviewed and updated every 2 years or following organizational change.

### 4.2. Procedure Implementation

The rules of procedure will be managed and implemented as appropriate by the Human Resource Department and Supply Chain Director. The roles and responsibilities of the various units are as follows:

- **The Supply Chain Director** is responsible for managing external complaints arising from stakeholders, customers and suppliers. The Supply Chain Director will supervise and direct, if necessary, the resolution of the grievance.
- The **Human Resource Department** in charge is responsible for managing complaints or claims made by employees and contract or seasonal workers. They supervise and direct, if necessary, the resolution of the grievance.

The grievance should include provision of the following information:

- Full name
- Name of organization (if any)
- Contact details (phone/fax/email address)
- Description of the grievance in detail
- Evidence to support the grievance

\*Whilst grievances can be made anonymously, providing full contact details enables Karex to better understand and address the concern.

## 6. Transparency and Confidentiality

Karex is committed to the transparent handling of grievances. The Supply Chain Director or HR in charge will update the status of a complaint, particularly when the complaint is registered, action has been taken and resolution outcome is agreed upon. The Complainant can also contact the Supply Chain Director in charge regarding the status of complaint by writing. The system allows for dialogue to remain confidential and for the confidentiality of the complainant if requested.

## 5. Submission of Grievance

The grievance may be made to:

Address: Karex Berhad (201201034091 (1018579-U), Lot 594, Persiaran Raja Lumu, Pandamaran Industrial Estate, 42000 Port Klang, Selangor, Malaysia.



Tel: +603 3165 6688



Fax: +603 3166 2000



Email: [karex@karex.com.my](mailto:karex@karex.com.my) / [karexberhad@karex.com.my](mailto:karexberhad@karex.com.my)





