



HEXTAR INDUSTRIES BERHAD

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SUPPLY CHAIN POLICY

1. INTRODUCTION

Hextar Industries Berhad (“Hextar” or “the Company”) and its subsidiary companies (“the Group”) have established policies and procedures for supply chain management. Hextar strives to meet high Environmental, Social including health and safety standards and Governance throughout its operations as well as in all our interactions with our stakeholders through upholding good employment practices by maintaining a high level of ethical standards, integrity and professionalism at all times.

2. PURPOSE

The purpose of this Supply Chain Policy (“Policy”) is to extend our commitments, policies, and values to our entire value chain and to encourage our suppliers, providers, contractors, and subcontractors (jointly “suppliers”) to comply with these same commitments. The Company assumes the management of its supply chain as an integral part of its responsibility with regard to the sustainable development of its activities, respect for the environment, good corporate governance, regulatory compliance, health and safety, promotion of diversity and inclusion, and respect for human rights in order to meet its sustainable development goals. The company encourages and expect its suppliers to perform in a similar manner.

3. DEFINITIONS

- 3.1 “Stakeholders”** refers to suppliers, bankers, contractors, agents, distributors, customers and other business partners which has direct or indirect dealing with the Group.

4. SUPPLY CHAIN PRINCIPLES

4.1 ENVIRONMENT

Hextar is mindful of the potential environmental impacts caused by our business activities and will ensure strict compliance to all local environmental regulations at all times along with consistently reevaluating areas in which we as an organization can minimize environmental impact and increase efficiency.

As outlined in our Environmental, Social and Governance Policy (“ESG Policy”), we take the impact of our operations on the environment seriously. Due to this, we expect our stakeholders to equally adopt practices to minimize environmental impact or increase efficiency, especially in the areas of:

- (1) Energy use
- (2) Climate change
- (3) Water use
- (4) Pollution
- (5) Waste reduction
- (6) Resource use



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As an organization, Hextar expects its stakeholders to follow the same principles during their interactions with the environment by complying to all the relevant environmental legislation adopting best practices wherever applicable.

4.2 SOCIAL

Hextar is aware of its responsibility on the overall wellbeing of its surrounding communities. As outlined in its ESG policy, Hextar is continuously monitoring the social effects of its businesses, to ensure that they are properly assessed, addressed and monitored.

Hextar expects its stakeholders to equally adopt the practices, as addressed below.

4.2.1 Upholds best practice health and safety standards

Hextar expects all stakeholders to implement necessary health and safety measures at the workplace while reducing potential and safety risks and hazards.

4.2.2 Prevention and elimination of forced labor or child labor practices

Hextar commits to the principle of not using any child and forced labor, and expects all of its stakeholders not to employ any person below the age of 18 and who has not offered himself/herself voluntarily for the work or service.

4.2.3 Ensuring equal opportunities throughout their organizations and adopting non-discrimination principles

Hextar expects its stakeholders to respect diversity and maintain an open and inclusive workplace. They need to uphold the principles whereby every individual should be given equal opportunity, regardless of his/her age, gender, religion, nationality and ethnicity.

4.2.4 Supports the right to freedom of association and collective bargaining

Hextar expects its stakeholders to support the right for workers to have freedom of association and respect the right to collective bargaining. This ensures that workers and employers have a voice that is represented and essential for the effective functioning of labor markets.

We will adhere to all local laws and regulations concerning freedom of association and collective bargaining. This includes respecting employees' rights to join, form, or participate in trade unions or other worker organizations, as permitted by law.



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4.2.5 Enhancing quality of life through reducing excessive working hours and supporting the right to a minimum wage

Quality of life for individuals, workers and employees could be enhanced through a reduction of excessive working hours. This could also be complemented through supporting the right to a minimum wage, and where possible, adopt practices to provide a living wage.

As an organization, Hextar expects its stakeholders to follow the above principles during their interactions with relevant individuals in their organization and local community by complying to all the relevant labor legislation and adopting best practices wherever applicable.

4.3 **CORPORATE GOVERNANCE AND ETHICS**

Hextar upholds the trust and fairness principles in its business dealing with its stakeholders and believes this will enable long term and mutually beneficial relationships among all stake holders.

4.3.1 Fair treatment

Hextar will adopt a fair and non-discriminatory approach when choosing its suppliers, contractors and service providers. Hextar believes in competition will help to improve efficiency and value-adding in the long run.

4.3.2 Anti-bribery and corruption

Hextar has an Anti-Bribery and Corruption Policy in place and has adopted a zero-tolerance approach against all forms of bribery and corruption. We will comply with all relevant anti- bribery and corruption laws, rules and regulations of the local governments where we operate. Hextar will take all reasonable and relevant measures to ensure that our businesses do not participate in any form of corrupt activities for its own advantage or benefit.

As an organization, Hextar expects our suppliers, contractors and service providers to follow the above corporate governance principles and comply to all the relevant corporate governance while adopting best practices wherever applicable.



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5.0 COMMUNICATION OF THE POLICY

This policy will be communicated all to relevant parties via letters, emails, briefing, training and other applicable form of communications.

14th March 2025