



MECHCAM PRECISION SDN BHD

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2016

MECHCAM endorse the commitments and principles of UN Global Compact (UNGC). The UNGC is consistent with our existing Code of Conduct and provides clarity with regard to Labor, Health and Safety, Environmental, Ethics and Management Systems expectation of our management.

MECHCAM PRECISION
SDN BHD

43, Jln TPP 1/12, 47100
Puchong, Selangor, Malaysia

September 2016



Statement from our Managing Director

It's our company's belief that those join the Global Compact must continually be challenged in their demonstration of a sustained commitment to the Ten Principles and show progress in their quest for the attainment of these ideals.

Our responsibilities as a manufacturer of precision screw and rivets to our customers, partners, employees and fellow citizens are tremendous. We express our intent to advance those principles within our sphere of influence and committed to making the Global Compact and its principles part of the strategy, culture and day to day operations of our company. We strive to further the cause of sustainability through sound process improvements, more environmental friendly and safer working environment.

The following describes the actions taken, our commitments, our efforts and our resources in supporting the Global Compact

Lew Chu Tong

(Managing Director)

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuse

Mechcam recognizes and respects the inherent universal human rights and fundamental freedoms. We complied with Malaysian employment laws.

We respect and practice the principle of equal rights when we recruit and throughout employment. We believe in the principle of inclusion. We ensure a respectful and conducive environment where everyone is given equal opportunity to do their work and excel, the freedom to express their opinions and of speech without fear or discrimination, and are assessed and remunerated fairly based on the merit of their work. The company does not discriminate against race, colour, religion or politics in the hiring, promotion and remuneration of workers. The company currently has a mixture of workers with different religions working harmoniously in the factory.

A committee has been set up comprising the management, executive and a non-executive personnel to hear any complaints received. The company targets to educate its vendors, suppliers and clients on the Code of Conduct that is practiced by the company by end of 2017. The company also will take steps to educate and inform new vendors, suppliers and clients as the business grows and develops

Measurements of Outcome

As to date, there was no complaint or feedback from employees, business partners or clients in relation to human rights violation. As a continuation from 2015 vision and objectives, the documents and information have been disseminated to all staff on early January 2016.

Labour Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation

Mechcam respects the rights of employees to freedom of association and collective bargaining. Being a small company of less than 30 employees, Mechcam has a personal and friendly set up. We believe in practice and open dialogue between employees and the Management. Our “open door” concept allows subordinates and superiors to discuss operational or personal matters and resolve them immediately. Individual grievances and dissatisfaction can be aired directly to the management. They are discussed and resolved to the satisfaction of both the employee and employer. There are no unions and there have been no complaints against the company in this area.

Mechcam does not employ or condone any form of forced or compulsory labor. However, we are mindful that our company can become associated with forced labour through our business links with contractors and suppliers. We are currently working on awareness communication to our vendors.

As an extension to human rights under principle 1, Mechcam does not discriminate in respect of employment and occupation. Employees are selected on the basis of their ability to do the job and that there is no distinction, exclusion or preference made on other grounds (race, religion, gender, etc.). We believe that this is the only way we can ensure all employees are given equal opportunities and not have their basic human rights infringed. This enables our employees to contribute positively to our company and to society. It gives them the confidence that the company gives them equal opportunity, rewards and progresses them based on merit.

A yearly assessment is carried out by management to assess employee performance and development. The annual review in January 2016 was the basis for the company to remunerate employees based on merit

Measurements of Outcome

To date, no complaint has been received pertaining to worker’s welfare and benefits. The practice was in compliance with Employment Act 1955, Malaysia and overtime of not more than 100 hours. There was also no underage worker in the company.

Environmental Practices

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

The nature of our business uses oil based chemicals as lubricants and coolants. Those chemicals have minimal effect on environment and human health (based on the Chemical Health Risk Assessment conducted and review of Safety Data Sheet). However, we are cognizant of the increasing importance of sustainability on our planet. Our company environmental stand and policy is summed as “Consume less, Consume better” and our target is to reduce our direct impact and do our part to save the environment.

Mechcam is very active in sending newspapers, magazine and used papers for recycling on a weekly basis. The company also encourages the employees to reuse paper for printing

Measurement of Outcome

The scheduled wastes generated were disposed to licensed contractor. The electricity consumption has been continuously monitored to ensure surges are investigated and reported. Customer audits conducted in year 2016 found no critical non-conformity and all products have been ensured to comply with RoHS requirements. There was also no summon received from any local authority

Anti-Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Mechcam will uphold this principle and have a “zero-tolerance” on corruption. In our Employee Handbook, there is a that address this principle. In addition to the Employee Handbook, we have a third-party accounting and auditing program that monitors the company’s transactions. Mechcam works very closely with our suppliers and with that, the risk of corruption among our employees with our suppliers is zero. In addition, Mechcam practices segregation of duties and therefore the potential areas of corruption are eliminated. Mechcam also provides communication for all level of employees up to management about corruption, as well as what to do if one should encounter it.

Measurement of Outcome

We evaluate our anti-corruption effort through the number of bribery complain received and there are no case reported since year 2014. Supplier/ contractor audits conducted for 3 major suppliers found all were compliance to the requirements. Our accounts are subjected to statutory external audit annually. These audits are one of the methods of identifying any suspicious payments which could be related to bribery or corrupt behavior.