



MECHCAM PRECISION SDN BHD

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2017

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

August 2017



Statement from our Managing Director

This year marks the 8th anniversary signatory to the UN Global Compact.

It's our company's pleasure to support the ten principles of the UN Global Compact with respect to human rights, labour, environment and anti-corruption. We recognize our responsibilities as a manufacturer of precision crew to do our best with expanding our social and environmental responsibility. We ensure that whatever we operate, we do are able to maximize economic and other positive impacts on the communities in which we operate, respecting and, wherever possible, improving the environment

With this publication of this report, Mechcam Precision reaffirms our continued support to the principles of the UN Global Compact, covering human rights, labour rights, protection of the environment and anti-corruption

Lew Chu Tong

(Managing Director)

Human Rights

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

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

We are a signatory to the United Nations Global Compact (UNGC), and have made a public commitment to respect the Ten Principles of the UNGC, one of which is human rights. Our Code of Business Conduct sets out our stance on fairness, opportunity, non-discrimination, dignity, respect and harassment. We do not hire forced or child labour in our operations.

Mechcam Precision embraces this responsibility by giving the necessary and suitable job scope for each position. Not worker is allowed to work exceed 12 hours per day. We will ensure our workers are working under safe and clean environment. A first aid box is a must in working area. Safety instruction is conducted every day before operation started. Safety equipment such as helmet and gloves are provided for workers. One of the outcome is there is no violence on safety working has been reported in 2016. Some items such as water filter, tissue paper and biscuits are provided to every department. We will make sure every department are received the same treatment.

Mechcam Precision provides well beyond the minimum standards of employment. One of the examples is the staffs at Mechcam Precision are free to enjoy a healthy company-provided lunch on every work day. The menu of the lunch is changed every day. In addition, we have provided medical allowance and any related claim expenses.

Besides, gaming session and exercise are conducted once or twice per week to reduce stress. At the same time, we take it as gathering moments to know each other well.

We conducted sharing session with new workers about company profile, company policy and, code of business conducts. This is to ensure they understand our company business and working routine. Besides, we will send birthday greetings for each employee right on his/her birthday and conduct Birthday of the Month celebration every end of months.

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;

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

Mechcam precision 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 employ on the basis of job requirements and does not discriminate on grounds of age, ethnic or social origin, gender, sexual orientation, politics or religion. As an extension to labour right, Mechcam Precision does not discriminate on the basis of gender with regards to recruitment and employment, nor do we discriminate based on faith, race or political association. This can be seen through that by providing them regular training to improve the employee's skill and ability. We will ensure that our company will continue the non-discrimination policy to support and stand firm for labour rights.

In addition, we support the human rights to talk so every employees have the chance to speak out their mind. All the opinions are collected from online Google form, email or opinions box. For some specific events, we will form up employee team and employer team to ensure the decision that we made is fair for everyone. Thus, elimination of all forms of forced and compulsory labour can be effectively shown.

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. As a result of the products and services we provide, our operations have varying direct and indirect impacts on the environment. Those chemicals have minimal effect on environment and human health (based on the Chemical Health Risk Assessment conducted and review of Safety Data Sheet). Improper or non-compliant emission, discharge or disposal not only result in harm to the environment, but also threaten the long-term viability of our business.

We recycled all the empty bottles, bins, used papers, boxes and etcs to licensed recycle vendors. Formal letter or email about this recycling practice were sent out to our interested parties included customers and suppliers. We hope that our commitment in this area will encourage other related companies to do the same.

In the face of rising energy costs and water scarcity, energy and water efficiency are becoming increasingly critical to ensure the long-term sustainability of our business. Thus, we encourage environmentally friendly practice. We targeted to reduce 10% in electricity and water usage.

Besides, we aim to minimize impacts through prevention, reduction, reuse and recycling. We have environment committees that gather regularly, discuss and decide actions by which waste, energy and water consumption can be reduced. We are in the process of implementing our Environmental and Social Policy by trying to invest in technology to improve the environmental performance of our facilities such as energy saving light bulbs.

In addition, beach cleaning and gotong-royong are parts of our family day. This is conducted twice per month. As a result, 85% of employees were attend on last year family day. We hope that our workers will take the initiative to protect the environment by maintaining good habits.

Anti-Corruption Principles

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

Mechcam Precision is actively involved in the promotion of transparency in businesses. This view is incorporated in our company regulations, which prohibits bribery and extortion in all its forms. Mechcam will uphold this principle and have a "zero-tolerance" on corruption. We address this principle and set it as one of our company policy. This principle is printed out and paste on the wall.

We maintain to do our business with good corporate governance standards and no bribery was reported during last year. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated. We work against all forms of corruption.

Outcomes of 2016 shown no corruption, bribery or extortion has been detected at Mechcam Precision.