



## Georg Jordan Malaysia Sdn Bhd supports the UN Global Compact

Statement by Managing Director

As a new signatory under the UN Global Compact, Georg Jordan Malaysia Sdn Bhd (GJM) is honored and proud to submit our first ever Communication on Progress (CoP) report.

For an introduction, GJM is a manufacturing company producing electrical insulators with the support of approximately 240 employees and operators from various nationalities. Established since 2009, we had matured to a manufacturing organization that does not only look into profitability and quality, but is also concerned about our social responsibilities. We care for the wellbeing of the community we live in and committed to do our part in making this society a better place.

The Global compact's 10 principles are in line with our conviction and we fully embrace this initiative. Indeed, we are looking forward to continuously maintain our commitment to this initiative in the foreseeable future.

Please find our activities, efforts and commitment in supporting Global Compact in the following section of this report.

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Torsten Juschus  
Managing Director



## Progress on UNGC Principles

### Human Rights (Principle 1 & 2)

As our employees are from multinational background, we strongly encourage all of our employees to duly respect human rights and work harmoniously among each other regardless of their national background, gender, religion, skin color, and language.

GJM advocates and practices human rights through our Code of Conduct and Social Accountability Standards which is displayed in our organization as a constant admonition to all management staff and employees. Below are statements declared in our Code of Conduct and Social Accountability Standard with regards to human rights:

#### **Respect for the basic human right of employees**

- To promote equal opportunities for and treatment of its employees irrespective of skin color, race, nationality, social background, disabilities, sexual orientation, political or religion conviction, sex or age.
- To respect the personal dignity , privacy and right of each individual;
- To refuse to employ or make anyone work against his will;
- To refuse to tolerate any unacceptable treatment of employees, such as mental cruelty, sexual harassment or discrimination;
- To prohibit behavior including gestures, language, and physical contact, that is sexual, coercive, threatening, abusive or exploitative;
- To provide fair remuneration and to guarantee the applicable national statutory minimum range
- To comply with the maximum number of working hours laid down in the applicable laws;
- To recognize , as far as legally possible, the right of free association of employee organizations or trade unions

GJM has assign a person in charge to monitor if there is any human right violation in daily operation activity. The assignees are experienced and knowledgeable in labor statutory and regulatory requirement, GJM code of conduct and also Global Compact's principles.

Any person who witness or experiencing human right violation in GJM can escalate their findings via our Whistle Blowing Procedure. This Procedure is intentionally established to encourage whistle blower to come forward, with or without evidence. Protection of whistle blower identity is guaranteed in this procedure or, otherwise, they can choose to be anonymous.

We also advocate the importance of human rights to our suppliers and contractors by cascading our organization's *Code of Conduct and Social Accountability Standard* to *Supplier's Code of Conduct*. The *Supplier's Code of Conduct* is disseminate to our suppliers through "General Requirement for Supplier" which is signed by respective





suppliers. Our supplier selection and evaluation covers human right and preference are given to supplier with better score.

### ***Measurement of outcomes***

GJM responsibility to ensure basic human rights are practiced throughout our organization and also among our suppliers. As a result, no human rights violation has been reported so far. We foresee to maintain this achievement throughout our operation.

### **Labor (Principle 3, 4, 5, & 6)**

Here at GJM, we want to create an environment where our workers come to work feeling motivated to contribute to the organization, gain experience and recognition besides earning a living. We believe forced or compulsory labor is ethically wrong. Moreover, it does not serve our intention to maintain a motivated workforce. For existing workers, even though we appreciate loyal workers, they are free to leave any time after serving a defined notice period. Even so, we hope to retain our workers by providing a harmonious working environment free from discrimination, harassment and bullying.

Our deterrence to discrimination, forced labor as well as child labor is lay out in our Social Compliance Policy. GJM only recruit workers who are 18 years old and above exceeding local and international requirement.

GJM respect the rights of employee on freedom to form association. There is no worker's union established although employees are free and allowed to do so. Nonetheless, for the interest of our workers, who come from various countries, the management had appointed representative from each nationalities. This make our workers feel more comfortable and free to voice their request or grievance through a representative of their own nationality. However, it should be noted that, alternative channel is also available through our "grievance procedure" and "suggestion box" where any workers can communicate directly with management. Both of these channels were informed to workers through "Worker's Handbook".

In addition to Global compact principles, we are equally concerned on our worker's safety. GJM is certified with OHSAS 80001 which covers occupational safety and health.



### ***Measurement of outcomes***

No child labor had been employed in GJM and we have not detected any child labor at our suppliers during various visits and audit.

Our workers are generally satisfied being attached to GJM where no grievance being reported.

### **Environmental (Principle 7, 8, & 9)**

GJM commitment in the conservation and preservation of the environment is spelled out in our Environment, Health and Safety Policy. With our primary process being Epoxy casting, we take an extensive effort to ensure our environment foot print is minimized to the lowest feasible level, especially to land and water pollution. Environmental Aspect and Impact Analysis were carried out for each area and process in this facility. Suitable control is identified, implemented and reviewed annually.

For environmental conservation, we have initiated a paper recycling program. All employees throughout the organization have given a very encouraging support to this program by segregating and disposing all their paper wastes at a specified disposal area which then will be collected by the recycling contractor. Through this program, we are able to involve all of our employees to contribute their part in supporting UNGC Environmental Principles to promote greater environmental responsibility. This program also generated some revenue which is used for charity and to reward our worker who support this activity.

Another area which support recycling is our packaging. We only purchase carton box, which is the primary packaging material that are made of recycled paper. On top of recycling practice, we also emphasize on Reuse and Reduce. GJM encourage employee to reuse paper for printing, where a dedicated printer tray is allocated just for reuse paper.

We do aware that the various chemicals we purchased as our raw material, have impacts on the environment. Therefore, we continuously monitor and reduce our consumption by setting suitable KPI such as Epoxy wastage and Release agent usage. Challenging target were set and various improvement were made to achieve it. Our workers are trained on how to contain in case of any chemical spillage. Secondary containment were also installed at various location to further prevent release into public drainage.

Apart from chemicals, we also use copper, steel and brass product as our raw material. GJM has the facilities to regain and reuse these metals in case needed. This is another practice of how we minimize wastage of raw material.





We keep updated with the increasing availability of the energy efficient technologies. Our purchaser will opt for these technology whenever new or replacement machines is required.

To ensure our effort in to environmental sustainability is adequate and in correct path, GJM is certified with ISO 14001: 2015 environmental management system. This ensures us to not overlook any matter regarding environment from regulatory requirements, communication, documentations, emergency response to monitoring and audits.

### ***Measurement of outcomes***

The latest yearly third party audit on our Environment Management System had found no Non-Conformance.

Due to our effort to use energy saving technologies and also reduction of energy wastage, we are able to improve our KPI on energy consumption from 4.45 kWh/kg on January18 to 3.98 kW/kg on September18 (kg = weight of output).

### **Anti-Corruption (Principle 10)**

We had seen the damaging effect of corruption to an organization. Georg Jordan allows no room to tolerate this practice in our organization. Apart from the reason to ensure sustainability of our business, we are against corruption and bribery because we believe it is our social responsibility to promote a fair and equitable society. Therefore, we have spelled this out in our Code of Conduct which serve as a higher level framework and guideline.

On the implementation and actual practice, here are some examples of how we prevent corruption in our organization:

1. Standard Operating Procedure of purchasing department requires a “Commercial Comparison” to be conducted before purchase. This ensure our procurement decisions are always taken on economic principles of efficiency, quality, price competitiveness and not based on any hidden agenda.
2. Besides that, “Whistle Blowing” Procedure had been established to allow all employees or stakeholders to confidently report in case they witnessed any form fraud or corruption happening in the organization. This procedure are communicated via employee and supplier handbook where Whistle Blower are allowed to maintain anonymity status.



3. Apart from that, sensitive transactions, usually transaction that involves considerably large amount of money, requires Managing Director's authorization and approval before it is proceed. This is controlled by our purchasing's computer software which will prompt error if the sum exceeds the allowed purchase limit.

### ***Measurement of outcomes***

GJM submits financial and accounts reports annually to Ernst & Young, a prominent finance auditing organization. There has been no issues or bribery and corruption related complications has been identified till date.