

# Social Compliance Policy

**Effective Date:** 01.08.2025

**Revision:** 1

**Company:** HAWK FILTRATION (SEA) SDN. BHD.

**Location:** Malaysia

---

## 1. Purpose

- Hawk Filtration (SEA) Sdn Bhd is committed to upholding human rights, promoting fair labor practices, ensuring safe working conditions, protecting the environment, and maintaining high ethical standards across all operations.
  - This policy complies with Malaysian law, ILO conventions, and international standards, including **Workplace Conditions Assessment (WCA)** and **SMETA 7.0 (4-Pillar)** requirements.
  - All employees, business partners, suppliers, sub-contractors, and contractors are expected to adhere to these standards.
- 

## 2. Labor & Human Rights

Hawk Filtration (SEA) Sdn Bhd is committed to the following human rights and labor standards.

### 2.1 Respect for Human Rights

- We uphold international human rights principles and ensure dignity, fairness, and equality in the workplace for all individuals, regardless of background or status.

### 2.2 Freely Chosen Employment

- Forced, bonded, trafficked, indentured, prison, or slave labor is strictly prohibited.
- Employees retain control of their identity documents (e.g., passports, ICs, work permits).
- Employees may resign voluntarily without coercion, penalty, or unreasonable restrictions.

### 2.3 Ethical Recruitment and Fair Employment

- Recruitment must be transparent, ethical, and supported by written documentation.
- **No recruitment fees** shall be charged to employees at any stage (in line with the Employer Pays Principle).
- Employees must be provided with written employment contracts in a language they understand, clearly stating wages, work hours, benefits, overtime, rights, and obligations.
- No contract modifications are permitted without mutual consent.

## **2.4 Prohibition of Child Labor**

- Employment of individuals under 16 years is strictly prohibited.
- Young employees aged 16–17 must not perform hazardous work or night shifts.
- Age verification must be based on valid, original personal identification documentation.
- If child labor is identified, a **remediation program** will be implemented to ensure withdrawal from hazardous work and access to education and rehabilitation.

## **2.5 Working Hours & Overtime**

- Standard working hours shall not exceed **45 hours per week** in line with Malaysian law.
- Total working hours, including overtime, shall not exceed **60 hours per week**, except in exceptional circumstances permitted by law.
- At least **one rest day every 7 days** will be provided.
- Overtime shall be voluntary, paid at legally mandated premium rates, and accurately recorded.

## **2.6 Wages & Benefits**

- Wages must meet or exceed the Malaysian minimum wage.
- Employees are entitled to all legally mandated benefits, including EPF, SOCSO, EIS, public holidays, annual leave, sick leave, and maternity/paternity leave.
- Wages shall be paid on time with itemized payslips detailing hours worked, earnings, and deductions.
- No unauthorized deductions, withholding, or double bookkeeping is permitted.

## **2.7 Non-Discrimination**

- Equal opportunity applies to recruitment, wages, training, promotion, and termination.
- No discrimination will be tolerated based on race, gender, age, religion, nationality, disability, pregnancy, marital status, union affiliation, or political opinion.
- Equal pay and benefits for equal work are ensured.

## **2.8 Anti-Harassment & Abuse**

- Zero tolerance for physical, verbal, sexual, or psychological harassment, bullying, or abuse.
- No corporal punishment, humiliation, or degrading treatment is allowed.
- Disciplinary practices must be fair, transparent, documented, and non-abusive.

## **2.9 Freedom of Movement, Association & Collective Bargaining**

- Employees must be free to enter and exit the workplace and living facilities without restriction outside working hours.
- Employees have the right to join or not join trade unions, employee committees, or other associations.

- The right to collective bargaining will be fully respected.
  - No retaliation, intimidation, or discrimination will occur due to union membership or employee representation.
- 

### 3. Health and Safety

- **Safe Working Environment:** A clean, safe, and healthy workplace will be provided and maintained, with hazard prevention and regular safety risk assessments.
  - **Emergency Preparedness:** Fire safety systems, evacuation drills, first aid, and emergency response plans will be established, implemented, and maintained.
  - **Employee Health:** Employees will have access to clean drinking water, hygienic sanitary facilities, medical services, and appropriate personal protective equipment (PPE).
  - **Living Conditions (if provided):** Accommodation must comply with Malaysian law and international standards, ensuring adequate space, sanitation, fire safety, ventilation, and access to essential services (water, electricity, and healthcare).
- 

### 4. Environmental

- **Environmental Responsibility:** We are committed to minimizing environmental impact by complying with Malaysian laws and international standards.
  - **Waste Management:** Hazardous and non-hazardous waste will be properly managed, stored, and disposed of responsibly.
  - **Sustainability and Energy Efficiency:** We promote sustainable practices, resource conservation, and continuous improvement in water and energy efficiency, with preference for renewable energy where feasible.
- 

### 5. Business Ethics

- **Business Integrity:** Zero tolerance for corruption, bribery, extortion, or fraudulent practices.
- **Data Privacy:** Respect for personal data in compliance with Malaysian data protection laws.
- **Conflict of Interest:** Employees must disclose potential conflicts of interest to prevent undue influence on business decisions.
- **Fair Trade:** Business must be conducted fairly and transparently, with suppliers and contractors selected based on merit and ethical practices.

- **Anti-Competition:** Employees must not engage in price fixing, bid rigging, or any conduct that restricts fair competition.
  - **Supply-Chain Compliance:** Suppliers and contractors are expected to comply with this policy. Social and environmental compliance requirements are integrated into supplier contracts and evaluation processes.
- 

## 6. Legal Compliance

- All operations must comply with applicable Malaysian laws, ILO conventions, and relevant industry standards.
  - Compliance with WCA, SMETA 7.0 (4-Pillar), and other ethical and social compliance frameworks subscribed to by the company is mandatory.
- 

## 7. Training, Grievance & Reporting Mechanism

- This policy will be communicated to all employees, suppliers, and business partners. Ongoing training will be conducted to ensure understanding and compliance.
- No employee shall face retaliation, dismissal, or penalty for raising concerns or exercising their rights.
- Employees and stakeholders are encouraged to report violations of this policy through the company's **confidential grievance or whistleblower channel**.
- All complaints will be handled promptly, fairly, confidentially, and without retaliation.
- Corrective actions and outcomes will be documented, tracked, and shared where appropriate.