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IHH HEALTHCARE BERHAD

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1. INTRODUCTION

- 1.1 This policy establishes the responsible sourcing framework within IHH Healthcare (IHH). It outlines the standards and principles we expect our suppliers to uphold.
- 1.2 In our aspiration to 'Care. For Good.', we are committed to ensuring our purchasing decisions have a positive impact on our patients, our people, our planet, and the communities we serve. It sets the minimum expectations of our suppliers in key areas of legal compliance, human & labor rights, business ethics, and environmental impact.
- 1.3 In supplier selection, IHH will prioritize working with those who demonstrate a capacity to meet or exceed the standards outlined within this policy. IHH may revise this policy as needed, and suppliers are encouraged to check the IHH website for updates.
- 1.4 This policy complements other relevant guidelines and policies available on our website at <https://www.ihhhealthcare.com/investors/corporate-governance/corporate-governance-policy-disclosures>

These include:

- Anti-Bribery and Corruption Policy ("ABC Policy")
 - Board Charter
 - Board room diversity policy
 - Code of conduct
 - Constitution
 - Corporate Governance Report
 - Director's fit and Proper policy
 - Dividend policy
 - Gifts, Hospitality, Donations & Sponsorship Policy ("GHDS Policy")
 - Human rights, Labour Standards and Diversity, and inclusion policy
 - IHH Third Party Code of Conduct
 - Investor relation policy
 - Policy on nomination and Assessment processes of board members
 - Terms of reference of Audit committee
 - Terms of reference of Risk Management committee
 - Terms of reference of The Nomination and Remuneration Committee
 - Third Party Code of Conduct
 - Whistleblowing Policy
 - Workforce Diversity Policy
- 1.5 Complementing the Third-Party Code of Conduct. While the IHH Third Party Code of Conduct sets broad standards for ethical behavior, our Responsible Sourcing Policy covers the specifics of sustainable procurement and supplier engagement. It emphasizes our proactive approach to selecting suppliers who not only meet compliance requirements but also actively contribute to our sustainability goals. This policy serves as an additional guide built upon the high-level principles of the Third-Party Code of Conduct, ensuring practical and measurable actions towards ethical and sustainable sourcing.

2. TRANSPARENCY, ETHICS and QUALITY

- 2.1 IHH demands the highest standards of business ethics and quality throughout our supply chain. Our suppliers are expected to uphold:

2.2 Ethical Business Practices

- a. Conduct operations in full compliance with relevant laws and regulations, including those related to anti-bribery, anti-corruption, anti-money laundering, and sanctions.
- b. Avoid any engagement with illegal activities or criminal organizations.
- c. Secure and maintain all necessary permits and licenses.
- d. Implement internal controls and maintain accurate records of all financial transactions.
- e. Uphold transparency, openness, and fairness in all business dealings.
- f. Actively manage potential conflicts of interest.
- g. Adhere to IHH policies on gifts, hospitality, and entertainment (See our Third-Party Code of Conduct, ABC Policy, and GHDS Policy).

2.3 Data Protection and Cyber Security

- a. Abide by all applicable privacy and data protection laws.
- b. Prevent unauthorised use or infringement of intellectual property rights.
- c. Implement robust cybersecurity measures to protect against data breaches.
- d. Use confidential and personal data in accordance with the law, safeguarding the privacy of IHH, our employees, patients, and partners.
- e. Obtain IHH's written consent before using IHH's name, brand, or making public references to the business relationship.

2.4 Quality

- a. Implement quality management systems that comply with applicable laws and standards such as ISO certifications.
- b. Maintain accurate quality records as mandated by industry standards.
- c. Ensure the safety, efficacy, and quality of all products, providing clear and accurate labelling and product information.
- d. Establish and follow product recall procedures in line with regulations.
- e. Promptly inform IHH in writing of any product-related issues that could negatively impact IHH, including recalls, regulatory actions, or negative publicity.
- f. Maintain adequate insurance coverage to protect business operations and manage potential risks.

3. HUMAN AND LABOUR RIGHTS

- 3.1 IHH is dedicated to advancing human and labor rights within our supply chain and the broader community. Through our operations and partnerships, we aim to make a positive impact on the communities we serve, fostering an environment of respect, fairness, and dignity. Our suppliers are expected to uphold:

3.2 Human Rights and Actions Against Modern Slavery

- a. Uphold all applicable local labor laws, regulations, and human rights principles.
- b. Strictly prohibit forced labor, debt bondage, human trafficking, child labor, forced marriage, servitude, abuse, inhumane treatment, bullying, victimization, intimidation, and deceptive recruitment practices.
- c. Disallow discrimination or harassment based on race, gender, age, disability, religion, sexual orientation, nationality or any other status protected by law.
- d. Verify the legal right to work of all individuals before employment.
- e. Provide clear and understandable information to employees about their rights, obligations, and employment conditions prior to their start date.
- f. Abide by minimum wage requirements, overtime compensation regulations, and rules regarding remuneration and benefits.
- g. Ensure working hours comply with legal limits, as well as rest and break intervals.
- h. Respect the freedom of association and employees' rights to collective bargaining without unlawful interference.
- i. Comply with legal procedures and requirements for termination, including those related to notice periods, severance pay, and employee rights upon dismissal.
- j. Make the workplace accessible to all by providing reasonable accommodation in line with applicable discrimination laws, standards, and regulations.

3.3 Workplace Health and Safety

- a. Adhere to all applicable health and safety regulations for the workplace and products.
- b. Take proactive steps to minimize workplace hazards.
- c. Offer employees training and resources for safe work practices, including the proper use of equipment and hazardous materials.
- d. Protect workers from excessive physical demands or overwork.
- e. Develop and implement emergency plans and response protocols.
- f. Establish a robust system for reporting workplace injuries.
- g. Provide employees with clean facilities, rest areas, and adequate ventilation.
- h. Implement programs that promote work-life balance, stress management and overall employee well-being.
- i. Foster an environment where workers feel empowered to report safety concerns, ensure these are investigated, and take appropriate corrective actions as required.

- 3.4 IHH will not engage suppliers who subcontract with any parties known to violate human and labor rights.

4. ENVIRONMENTAL SUSTAINABILITY

- 4.1 IHH recognizes the inextricable link between a healthy planet and the health of our patients, people, and the public. We are committed to protecting the planet where its changes would have a direct impact on people's health. We also acknowledge the considerable impact that the healthcare industry has on the environment. We seek to build partnerships with suppliers who share our commitment to environmental stewardship.

Environment

4.2 Suppliers are expected to:

- a. Obtain all necessary environmental licenses, registrations, and permits.
- b. Comply with operational and reporting requirements.
- c. Establish procedures to account for their energy usage, emissions profile, waste generation, and water usage.
- d. Reduce greenhouse gas emissions and increase reliance on renewable energy sources.
- e. Promote conservation and efficient use of resources, including water.
- f. Prioritize waste reduction strategies, such as through process and packaging optimization.
- g. Assess packaging options and seek to minimize the reliance on single-use plastics while considering the role of recycling for materials that are safe and suitable for reuse, free from any contamination.
- h. Conduct due diligence on the sourcing of critical materials, selecting products and services with the lowest environmental impact.
- i. Incorporate recycling and reuse strategies where feasible, especially for materials that can be safely processed and reintegrated.
- j. Support biodiversity conservation and promote sustainable practices.
- k. Responsibly and safely manage waste, wastewater, and air emissions to minimize their impact on the environment and human health.
- l. Establish systems to prevent and handle accidental spills or releases, ensuring minimal impact on communities.
- m. Raise sustainability awareness among employees and promote environmentally conscious behaviors.

Animal Testing

- 4.3 Suppliers are expected to implement clear policies promoting the humane treatment of animals, including the use of non-animal alternatives in testing, and prioritizing animal welfare in those instances where animal testing is necessary.

5. MANAGEMENT

Reporting Concerns

- 5.1 Suppliers should establish clear channels for employees to safely report concerns or suspected illegal activities within the workplace. This includes protection against retaliation, intimidation, or harassment. Suppliers are expected to investigate all reports thoroughly and take appropriate corrective action.
- 5.2 Suppliers are encouraged to report concerns in relation to any actual or suspected breach of this policy through the approaches mentioned in the IHH's Whistleblowing Policy

Risk Management

- 5.3 Suppliers should implement procedures to proactively identify, assess, mitigate, and manage risks related to the areas covered within this policy.

Training

- 5.4 Suppliers should provide training programs designed to equip their employees with the knowledge and skills necessary to comply with this policy.

Recordkeeping

- 5.5 Suppliers should maintain records demonstrating their compliance with this policy, facilitating IHH compliance reviews as needed.

Continuous Improvement

- 5.6 Suppliers should actively strive to improve their practices through regular evaluation of goals, action plans, and their responses to any non-compliance issues.

Compliance

- 5.7 We expect suppliers to adhere to this policy and take necessary steps to demonstrate their commitment to its principles. Suppliers are responsible for sharing this policy with relevant stakeholders within their organization and throughout their supply chains.
- 5.8 Suppliers are expected to proactively assess their practices and supply chains to pinpoint areas of potential non-compliance. Upon identifying any violations or suspected violations of this policy, suppliers must disclose them promptly to IHH and implement corrective and preventative measures.
- 5.9 IHH may conduct compliance audits as needed and expect the full cooperation of suppliers, including the timely provision of the requested information.

Supplier Diversity

- 5.10 IHH fosters a supplier ecosystem built on inclusivity and fair competition. We welcome opportunities to build relationships with a diverse range of suppliers, encompassing social enterprises, disability enterprises, and minority-owned businesses.

Governance

- 5.11 This Policy is overseen by the Board and Group Chief Executive Officer. Any material breach of this Policy must be reported to IHH's Group Procurement at GPO@ihhhealthcare.com