

# **Masteel**

***MALAYSIA STEEL WORKS (KL) BHD***  
***197101000213 (7878-V)***

**HUMAN RIGHTS POLICY**

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## **1) PURPOSE**

The policy outlines Masteel's responsibility to uphold and protect the human rights of individuals working in Masteel and the communities in which Masteel operates. We strive to contribute positively and ensure that human rights are understood, observed and respected as far as is reasonably practicable. Masteel remains steadfast in its commitment to upholding human rights by adhering to globally recognised standards like the International Bill of Human Rights and the UN Guiding Principles on Business and Human Rights.

## **2) APPLICATION**

This policy applies to all employees within Masteel. Where we do not have a controlling interest, we will encourage our stakeholders, including business partners, contractors, suppliers and joint venture partners to observe this policy.

## **3) HUMAN RIGHTS PRINCIPLES**

The following broad principles reflect the values that Masteel upholds in our own operations, and we expect our stakeholders to follow the spirit and intent of these principles:

### *a) Workplace Diversity and Equal Opportunity*

- i. We will provide just and favourable work conditions to our employees in an undiscriminating manner, ensuring that there is no discrimination within the company. Adopting equal pay for equal work principle regardless of gender difference – men and women, in the same employment performing equal work must receive equal pay.
- ii. The basis for recruitment, placement, training, compensation, and advancement is based on qualifications, performance, skills and experience. No employee shall be discriminated on the above due to race, colour, gender, language, religion, political or other opinion, caste, national or social origin, property, birth, union affiliation, sexual orientation, age, disability, or other distinguishing characteristics.
- iii. We will maintain a workplace that is free from physical, psychological or verbal abuse, threat of abuse and sexual or other harassments.
- iv. We will embrace diversity and inclusivity at the workplace and appreciate contributions made by all employees.
- v. We are committed to creating local employment in the communities that we operate in.
- vi. We do not tolerate any form of discrimination against our employees based on race, colour, gender, language, religion, political or other opinion, caste, national or

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social origin, property, birth, union affiliation, sexual orientation, age, disability, or other distinguishing characteristics.

- vii. Any employment-related decisions, from hiring to termination and retirement, must be based solely on lawful, non-discriminatory criteria.

b) *Upholding Workers' Welfare and Well-being*

- i. We strive to work with contractors in protecting the rights of foreign workers they hire to work on its sites. We also ensure that workers are employed through fair and ethical sourcing practices and are treated with dignity and respect.
- ii. We will work with contractors to ensure that dormitories and facilities are equipped with basic amenities and all necessary measures to provide safe, clean, healthy and dignified living and working conditions in instances where there are on-site or off-site workers' housing, including commercial purpose-built dormitories and factory converted dormitories.
- iii. We must ensure that all employees have the right to sick leave and annual holiday, as well as parental leave for employees who have to care for a newborn or newly adopted child as provided by national legislation. Employees who take such leave must not, as a result, face dismissal or threat of dismissal.

c) *Prohibiting Child Labour*

We will adhere to minimum age provisions of applicable laws and regulations, remaining consistent with the United Nations Convention on the Rights of the Child and the relevant standards under the International Labour Organization. We are committed to ensuring that no young children are employed directly by Masteel or our contractors.

d) *Employee Rights*

i. *Safe and Healthy Workplace*

Masteel prohibits the use of all forms of forced or bonded labour, slave labour and any form of human trafficking. We will provide a secure, safe and healthy workplace in compliance with local workplace safety and health legislation. We will also maintain a productive workplace by minimising the risk of accidents, injury and exposure to health risks. All employees shall receive the necessary health and safety training for their line of work. In accordance with our whistleblowing policy, employees can provide feedback to management through our whistleblowing channels without fear of reprisal or retaliatory action.

Masteel does not tolerate any form of forced or bonded labour, slave labour and any form of human trafficking. Workers must be allowed to move around freely and leave their place of work when their working hours end.

*ii. Salary and Benefits*

All employees must be provided with a written, understandable and legally binding employment contract/letter.

We will compensate employees relative to the industry and local labour market. We will operate in full compliance with applicable government policies on wages, work hours, overtime and benefits laws. We will also offer employees opportunities to develop their skills and capabilities and provide advancement opportunities where possible.

In the event of major layoffs, the Masteel must, as a minimum, satisfy applicable laws and industry standards.

*iii. Work Hours*

The working hours of Masteel employees shall comply with applicable laws. Recognising the need for employees to balance their working life with other interests and responsibilities, we offer flexible working hours and flexible work arrangements, and discourage excessive working hours, as far as is reasonably practicable within the constraints of effectively running the business.

Employees must not be required to work more than 60 hours a week, including overtime, on a regular basis (or more than the limits on regular hours and overtime allowed by local laws and regulations).

Wages for overtime must be paid in legal tender on a regular basis. Wage deductions as a disciplinary measure must not be permitted unless provided for by national law. Employees must be entitled to at least one day off in seven, and must be given reasonable breaks while working and sufficient rest periods between shifts.

*iv. Non-harassment*

Masteel must protect workers from any acts of physical, verbal, sexual or psychological harassment, bullying, abuse or threats in the workplace by either their fellow employees or managers.

*v. Freedom of Association and Collective Bargaining*

Masteel must respect employees' rights to form, join or not join a labour union, or other organisation of their choice, and to bargain collectively in support of their mutual interests without fear of punitive actions such as intimidation, harassment or termination of employment.

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#### **4) GRIEVANCE MECHANISM**

Masteel has developed a grievance mechanism to address concerns and complaints that come from the internal and external stakeholders in order to achieve proper and fast problem-solving process in an effort to achieve continuous corrective action as well as effective and efficient problem prevention. The grievance mechanism can be used to report violations of company policy, including human rights, as well as any other areas of stakeholder concern. External stakeholders may submit grievances through the contact information available on Masteel website at <https://www.masteel.com.my/contact-us/> whilst internal stakeholders may contact their direct supervisor and the Human Resources department. Masteel commits to the transparent handling of grievances and to remedy affected parties where it has been identified and caused or contributed by adverse impacts. The grievance procedures are as follows:

i. Review

The grievance will be forwarded to the relevant Head of Department to assess and determine the eligibility for the grievance procedures. If the grievance is supported by reasonable evidence, the Head of the Department shall arrange for investigation within 7 days from the grievance received.

ii. Investigation

A meeting will take place and the Head of Department may, at this stage, request additional evidence to be provided. Written statements together with oral representations will be considered as appropriate. The party who is the subject of a grievance has the right to see the allegations against them in full and have the opportunity to respond.

iii. Resolution

The Head of Department shall take settlement action as soon as possible and the grievances should be resolved by prioritising the principle of deliberation to reach a consensus (win-win resolution).

iv. Appeal

If any party remains dissatisfied with the outcome and wishes to pursue the matter further, they may raise the grievance with the next level of management. An appeal can only be made on the basis that, the application of the procedure was flawed or, that new evidence has come to light.

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## **5) SAFEGUARDS**

- i) In order for the whistleblower/complainant to be protected under the policy; the whistleblower/complainant must disclose his/her name and contact details. The disclosure must at least have:
  - details of person(s) involved,
  - nature of allegation,
  - background, date and history of where the incident took place, and
  - supporting factual evidence, if any.
- ii) Whistleblowers/Complainants are protected against being dismissed or penalised by the Group, and Masteel will consider mitigating circumstances if the whistleblower/complainant himself / herself is involved in the activity that he / she reports.
- iii) A whistleblower/complainant's right to protection from retaliation does not extend immunity for any complicity in the matters that are the subject of the allegations or an ensuing investigation.
- iv) No civil, criminal or disciplinary action will be taken against the whistleblower/complainant.
- v) The whistleblower/complainant and any person related to or associated with the whistleblower/complainant will be protected from any detrimental action in reprisal for making the disclosure.

## **6) HARASSMENT AND VICTIMISATION**

- i) Harassment or victimisation for reporting concerns under this policy will not be tolerated.
- ii) Complete protection will be given to whistleblower/complainant against any unfair practice not limited to retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or including any director indirect use of authority to obstruct the whistleblower/complainant's rights to continue to perform his/her duties including making further disclosure.

## **7) CONFIDENTIALITY**

- i) Every effort will be made to treat the whistleblower/complainant's identity with appropriate regard for confidentiality. The identity of a subject should be maintained in confidence to the extent possible given the legitimate needs of the law and the investigation.

## **8) RESPONSIBILITIES**

Heads of Divisions / Departments are accountable for compliance with the Policy. They are to establish appropriate responsibilities and procedures within their business units. The Sustainability Officer, Group Head of Human Resources or Head of Internal Audit are to be informed of any issues or violations arising in places where we operate, which can be done so via Masteel's whistle-blowing channels. We expect employees to maintain the highest standards in conformity with these principles. Disciplinary measures shall be enforced against any Masteel employee who is in breach of these human rights principles. If employees have concerns about any instance of malpractice, human rights abuses or discrimination, they have a responsibility to raise them through the confidential whistleblowing hotline at the earliest possible opportunity or report directly to:

- Head of Internal Audit, [Tel no. 03-77811611 & email address: [klfung@masteel.com.my](mailto:klfung@masteel.com.my)]
- Audit Committee Chairman, [email address: [rthean@hotmail.com](mailto:rthean@hotmail.com)]
- Group Head of Human Resources [Tel no. 03-77811611 & email address: [angieteh@masteel.com.my](mailto:angieteh@masteel.com.my)]

This policy has been reviewed and approved by The Management Team of Masteel on **1st December 2021**. Subsequently, this policy was revised and improvised on **30<sup>th</sup> December 2024**.