



# HARPS SUSTAINABILITY UPDATES

HARPS GLOBAL PTE LTD



Q1 2025





HARPS Global

01



# Transforming HARPS Global: Best of two worlds

01  
HARPS GLOBAL



Honesty Accountability Reliability Presence Sustainability

- 5000+ employees
- 5 manufacturing plants
- Strategic focus on **Quality, Sustainability, Innovation**
- Branded + OEM

- **Family-owned** since 2015
- Modern **high-efficiency** manufacturing lines
- Best-in-class **quality**
- Focus on **OEM** customers



Central Medicare  
Teluk Intan, Malaysia  
Exam Gloves



New Era Medicare  
Teluk Intan, Malaysia  
Surgical Gloves

Acquired on September 1, 2023



- **100+ years'** history of making rubber gloves
- **Surgical and exam** gloves
- Strong **brand equity** in Europe
- **Global** presence
- **Manufacturing facilities** in Malaysia and in Europe



Latexx Manufacturing  
Kamunting, Malaysia  
Exam Gloves



Wimpassing, Austria  
Surgical Gloves



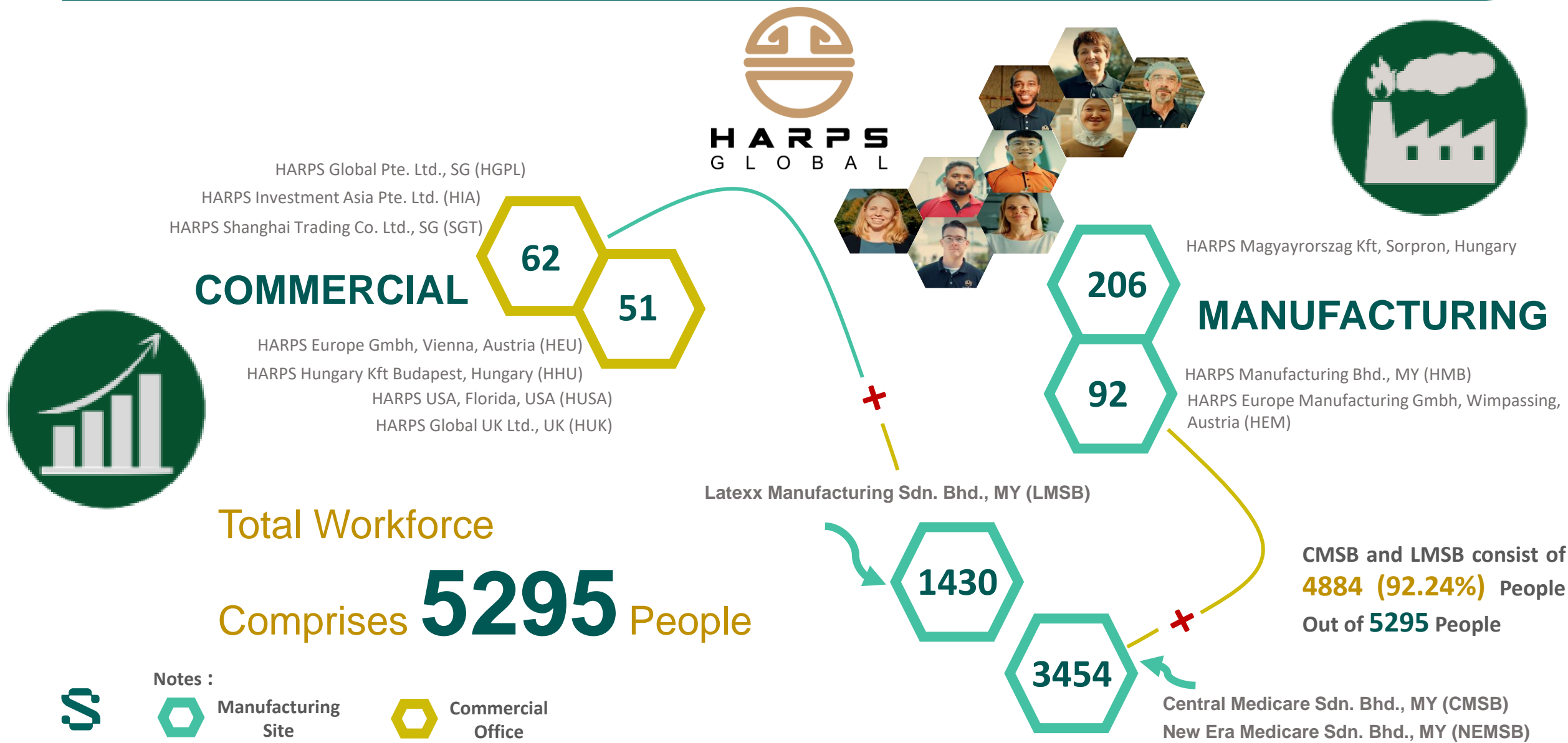
Sopron, Hungary  
Surgical Gloves Packaging



# The world of HARPS Global

- Regional HQ
- Distribution Center
- Manufacturing
- Sourcing & Quality Mgmt







# Introduction

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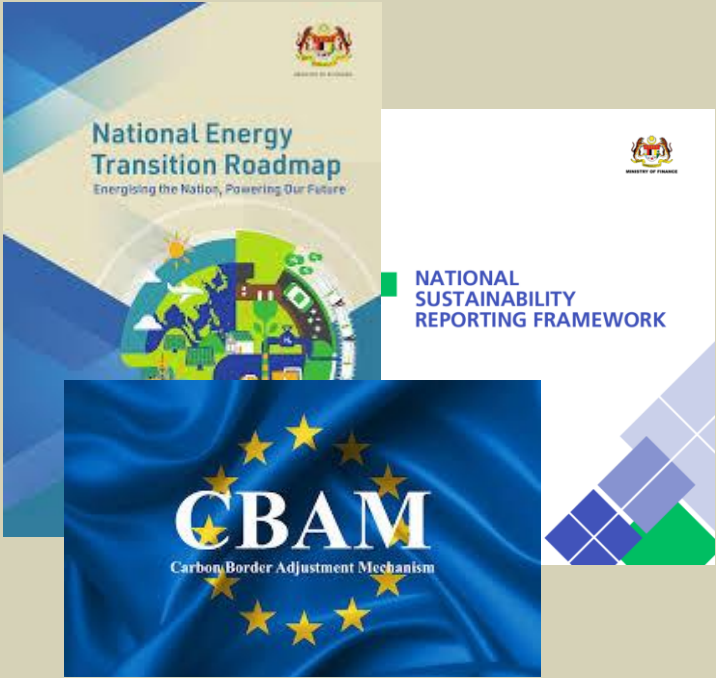
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## Global Goals



Commitment to global climate action – 45% reduction in economy-wide carbon intensity by 2030 compared to 2025 levels

## National Aspirations



Malaysia National Energy Transition Roadmap

Malaysia Madani Economy Framework

Carbon Boarder Adjustment Mechanism

## Industry Demand



Product Environmental Declaration

Social Compliance

EESG Management



## Regulatory Landscape

### Carbon Tax has Arrived in South-east Asia

The average global carbon price is **\$31.18 per tonne of carbon dioxide equivalent**. (World Bank<sup>1</sup>, 2022)



Singapore

- Carbon tax applicable to industrial facilities with **more than 25,000 tCO<sub>2</sub>e of emissions**
- 2019-2023: \$5 / tCO<sub>2</sub>e
- 2024-2025: \$25 / tCO<sub>2</sub>e
- 2026-2027: \$45 / tCO<sub>2</sub>e
- 2030: \$70-\$80 / tCO<sub>2</sub>e



Indonesia

- Carbon tax applicable starting 2025 for above-cap pollution levels
- Cap-and-trade system where pollution level is limited, and allowances can be traded by business entities



Malaysia

- Green tax incentives to be extended for 2024
- Looking at potential to set carbon tax
- Initially will be low but then increase over the years
- Malaysia has committed to reaching Net Zero by 2050





# Sustainable Development Goals (SDGs)



# The Ten Principles of UNGC

## HUMAN RIGHTS

- 1** *Businesses should support and respect the protection of internationally proclaimed human rights.*
- 2** *Make sure that they are not complicit in human rights abuses.*

## WORKING STANDARDS

- 3** *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.*
- 4** *The elimination of all forms of forced and compulsory labor.*
- 5** *The effective abolition of child labor.*
- 6** *The elimination of discrimination in respect of employment and occupation.*

## ENVIRONMENT

- 7** *Businesses should support a precautionary approach to environmental challenges.*
- 8** *Undertake initiatives to promote greater environmental responsibility.*
- 9** *Encourage the development and diffusion of environmentally friendly technologies.*

## ANTI CORRUPTION

- 10** *Businesses should work against corruption in all its forms, including extortion and bribery.*



**VISION : People, Protecting People**

**WHAT WE  
BECOME**

**MISSION STATEMENTS** (WHAT WE DO)

**STRATEGIC GOALPOSTS**

(WHERE WE NEED TO BE IN 5 YEARS)

1. Infection prevention and protection
2. HARPS' brands to be globally recognized
3. Financial growth & profitability
4. Merger & Acquisition (M&A) & Initial Public Offering (IPO)

**1. HARPS Global and its brands to be globally recognized by healthcare professionals and consumers worldwide as leaders in infection prevention and protection by producing & distributing innovative quality products that safeguard communities and enhance public health**

**2. Achieve long-term financial growth and profitability through continuous investment in innovation & sustainability to promote global health and safety.**

**CORE VALUES**

1. Honesty
2. Accountability
3. Reliability
4. Presence
5. Sustainability

**CULTURE**

**We work as a team,  
We stay as a team!**



# HARPS Stakeholder Engagement



**UN GLOBAL COMPACT**

**MATERIA NOVA** Materials R&D Center

**amfori @ BSCI** Trade with purpose

**RESPONSIBLE GLOVE ALLIANCE**

**Responsible Business Alliance** Advancing Sustainability Globally

**JABATAN ALAM SEKITAR MALAYSIA**

**IOM UN MIGRATION**

**UNIVERSITI TEKNOLOGI PETRONAS**

**OCBC**

**TEMBUSU Asia**

**GAS MALAYSIA**

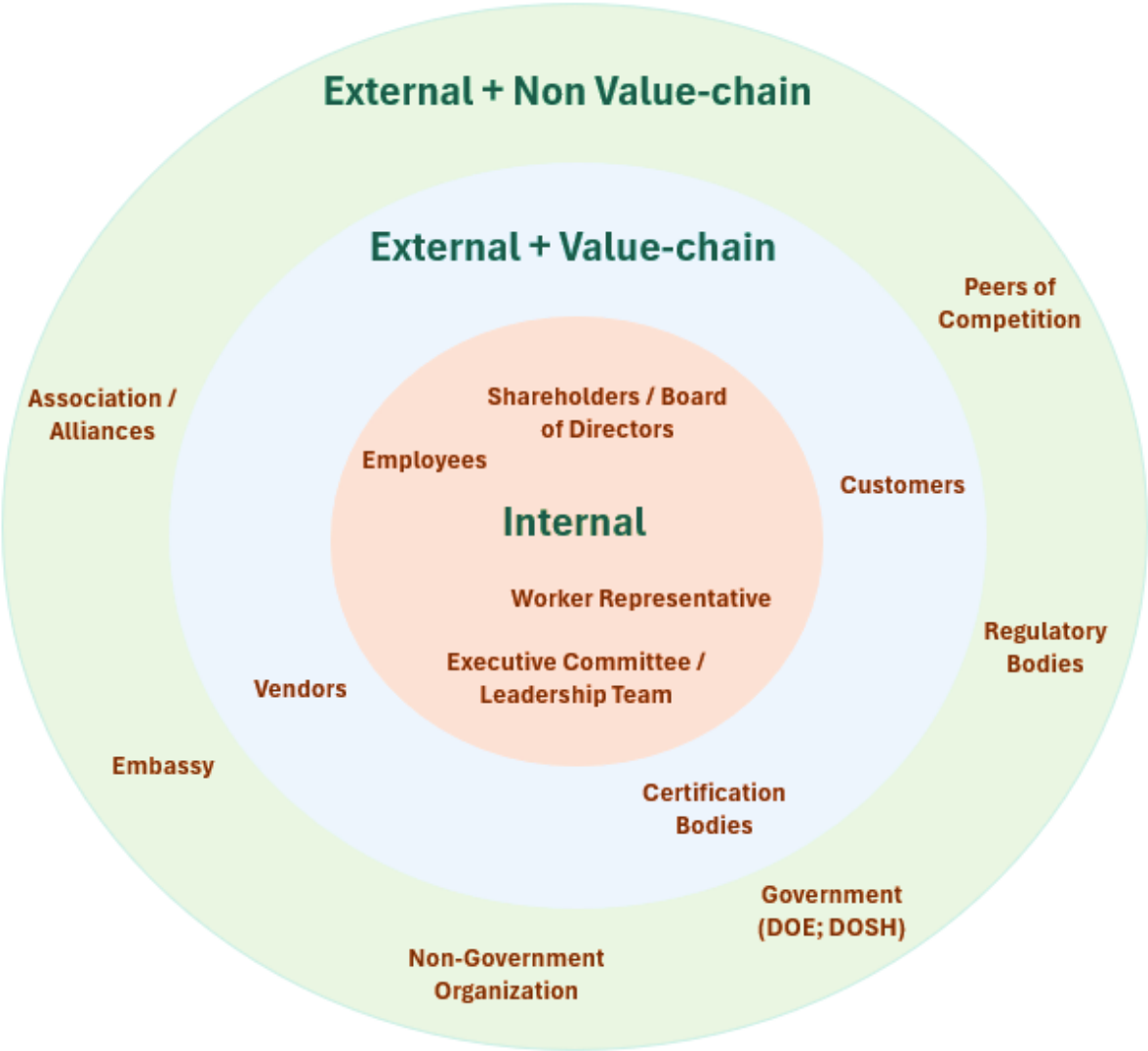
**WORLDWIDE RESPONSIBLE WRAP ACCREDITED PRODUCTION**

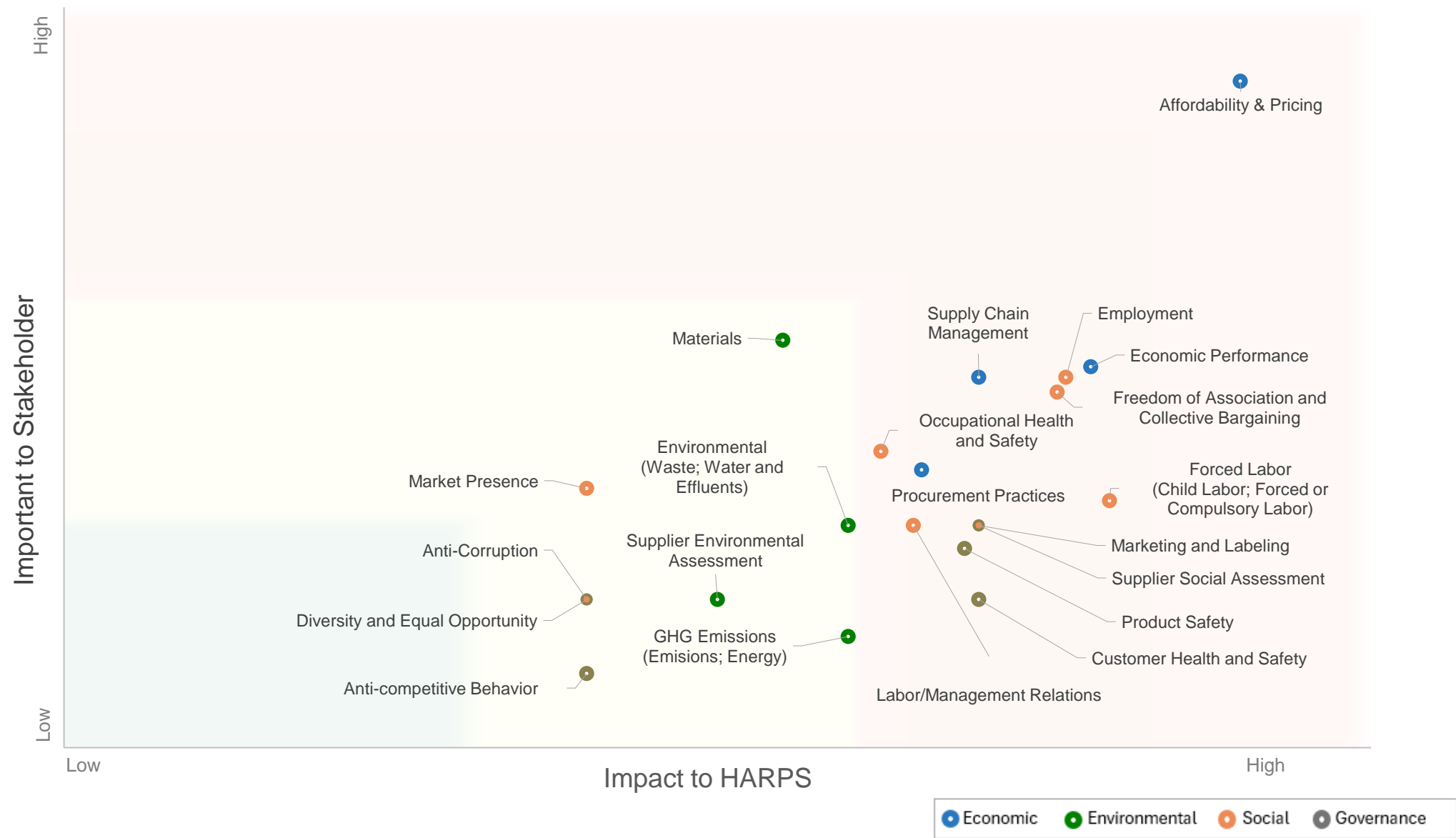
**International Labour Organization**

**UPM**

**MIDA** MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY

**EPD®** THE INTERNATIONAL EPD® SYSTEM





# HARPS Sustainability Strategy

Although the operation of our group business and overall initiatives create impacts to the overall SDGs. Primarily, we contribute to seven priority SDGs through our material topics.



## Governance & Compliance

HARPS governance & compliance management system, Employee engagement and awareness, Code of conduct and Core values embracement, Commitment and reference to the international governing standards and certifications.

## Health & Safety

OSHA management system, Workplace safety awareness and prevention, Health & Disease Prevention, Risk management, Management commitment and Community involvement.

## Integrated Business Strategy

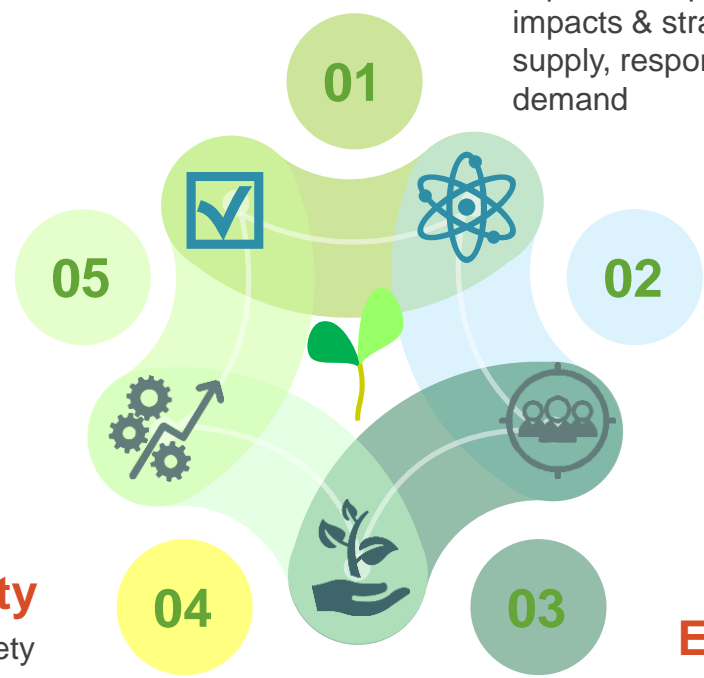
Integrated strategy to govern the sustainability in product, operation, supply chain, business impacts & strategic collaborations, security of supply, responsible sourcing to meet customer demand

## People

HARPS People Programs, CSR, Employee engagement, Education encouragement, Mental health support, Diversity & Inclusion, Capability building.

## Environmental

Climate Action Program (CAP), GHGs and LCA reporting, Waste minimization, Renewable energy and Circular economy introduction





## Vendors

- ❖ Close and continuous collaboration with vendor to drive sustainable solution
- ❖ Incorporation of sustainability in vendor qualification process.

## Customers

- ❖ Sustainable supply chain business partnership – customers and distributions
- ❖ Possibility of End-of-Life data improvement
- ❖ Product stewardship extension
- ❖ Scope 3 data collaboration and improvement



<sup>1</sup> Vendor Code of Conduct

<sup>2</sup> Sustainability Policy and Vendor Code of Conduct



# Environmental

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# Environmental Initiatives

## Right Environmental Measurement Tools

### GHGs for Manufacturing Sites

GHGs is based on GHGs Protocol<sup>1</sup> and reference to ISO 14064-1.

### LCA for Product Stewardship Initiative

LCA is based on ISO 14040:2006 and ISO 14044:2006. 3<sup>rd</sup> Party verified with ISO 14071:2014.

## Renewable Energy Initiatives

Solar energy introduction in the site at Perak, Malaysia and is the on-going initiative with optimization renewable energy generation.

## Sustainable Product Innovation

New product designed with sustainability features as part of USPs offered

## Climate Action Program (CAP)

Carbon Reduction Plan (CRP) – GHG Emissions reduction targets of Scope 1 and Scope 2 by 2030<sup>2,3</sup>. Onboarding Carbon Inventory effort for other entities.

Energy, water, and waste optimization

## Certified EMS ISO 14001

All our manufacturing sites are certified with EMS ISO 14001 and various environmental initiatives pull under this international management system



<sup>1</sup> GHGs Protocol Corporate Accounting & Reporting Standard Revised Edition, 2004

<sup>2</sup> <https://unfccc.int/process-and-meetings/the-paris-agreement>

<sup>3</sup> In referencing SBTi Guideline <https://sciencebasedtargets.org/resources/>



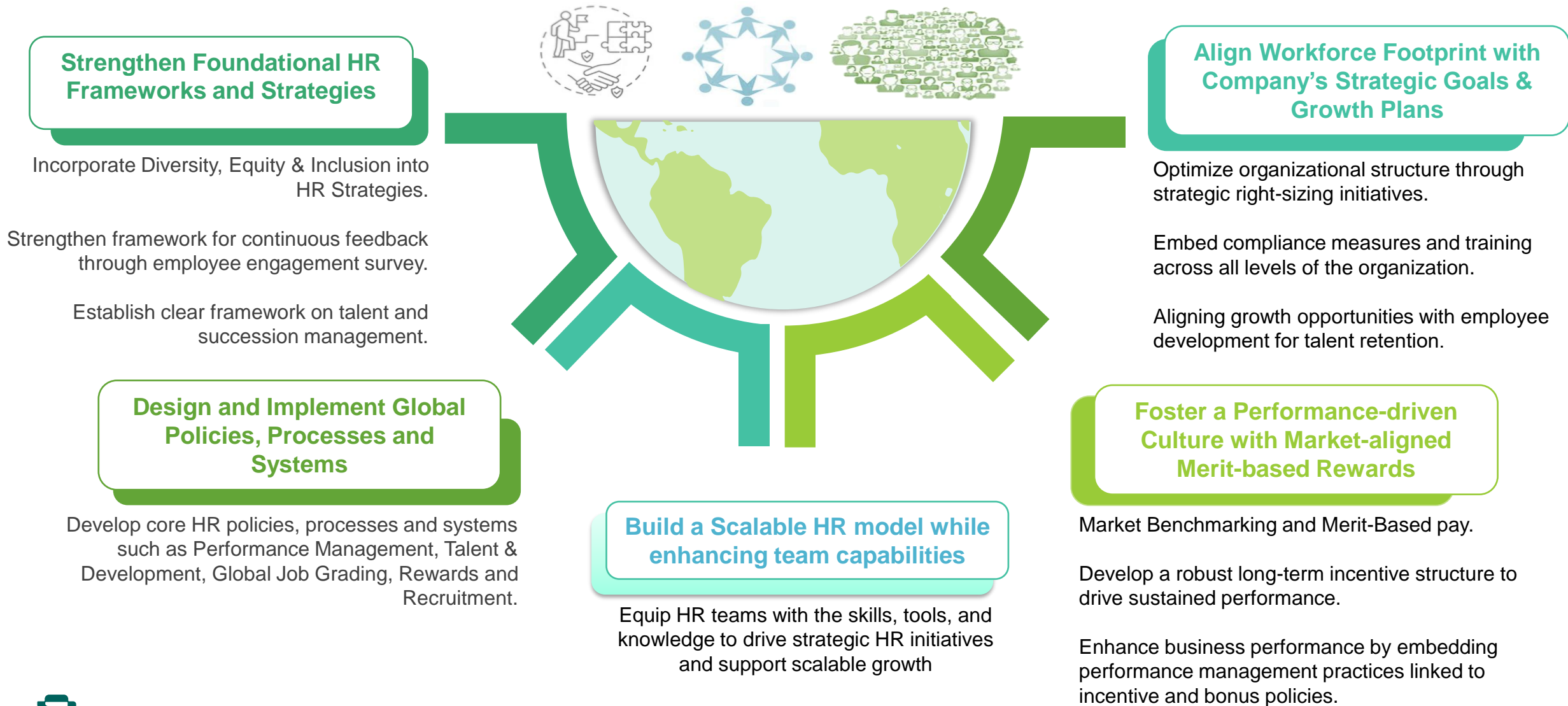
Social

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# People Initiatives



# Social Compliance



No	Pillars	Key Elements	RBA	SMETA	WRAP	BSCI
1		Freely Chosen Employment	✓	✓	✓	✓
2		Young Worker/Child Labor	✓	✓	✓	✓
3		Wages & Benefits	✓	✓	✓	✓
4		Working Hours	✓	✓	✓	✓
5		Freedom of Association	✓	✓	✓	✓
6		Non-Discrimination	✓	✓	✓	✓
7		Humane Treatment	✓	✓	✓	
8		Regular Employment		✓	✓	✓
9		Meal & Accommodation	✓			✓
10		Health & Safety	✓	✓	✓	✓
11		Environmental	✓	✓	✓	✓
12		Ethics	✓	✓		✓
13		Management System	✓	✓	✓	
14	<b>Others</b>	Custom Compliance			✓	
15		Security/CTPAT			✓	
16		Supply Chain Management	✓			





# Responsible Recruitment Program Initiative



## Due Diligence & Risk Assessment



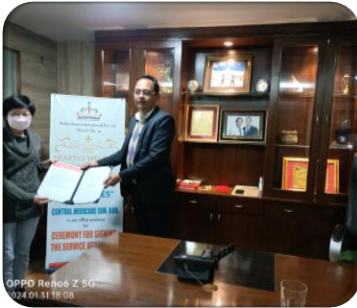
A careful screening and due diligence process conducted to assess the Agency's Compliance, Capabilities and Suitability including site audit utilizing the Agent Selection Criteria and SAQ Toolkit.



## Proactive Stakeholder Continuous Engagement



Worker's interview, Pre-departure Orientation and Employment Contract Signing, Payment Reimbursement Verification has been conducted align with the "Zero Recruitment Fee Policy", distribution of worker's rights handout



## Formalizing Service Agreement



The preparation of the contract with the selected manpower agencies involved detailing agreed costs, timelines, terms and conditions, and specific sourcing strategies. The contract aimed to establish clear expectations and responsibilities for both parties, ensuring a mutually beneficial partnership and ethical recruitment practices



## Airport clearance, CMR and Post Arrival Orientation



Airport clearance, dormitory check in and Post arrival Orientation and Payment Reimbursement Verification has been conducted align with the "Zero Recruitment Fee Policy" and distribution of worker's rights handout



## Independent 3<sup>rd</sup> Party Engagement Monitoring and Consultancy



Migration Dristi was appointed as a third party to monitor the ethical responsible recruitment program in Nepal



# Worker's accommodations



View of HARPS' workers accommodation in Teluk Intan



# Governance

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# Group governance and compliance initiatives

## Group Governance & Compliance Policy

Group Code of Conduct, Anti-Corruption, Whistleblowing and other governing policies. Global compliance training platform (LRN Catalyst)

## Grievance Mechanism

RBA Voices – 3<sup>rd</sup> party grievance application rolled out for all HARPS Global group.

**RBA VOICES**

## International Benchmark Referencing On Social Management System

Our social management system backbone was derived based on international benchmark reference in referencing to RBA Code-of-Conduct, ETI Base code, WRAP principles, amfori BSCI in the spirit of relevant conventions of ILO and UNGPs as well as UNGC (participated and committed to Ten Principles<sup>1</sup>).

## Sustainability Consortium

Voluntarily participation and involvement in consortium or international recognizing body to support our sustainability journey.

Global sustainability rating – EcoVadis, Environment Product Declaration (EPD) Participation, Commitment to SBTi after the consolidated baseline established

## Proactive Stakeholder Continuous Engagement

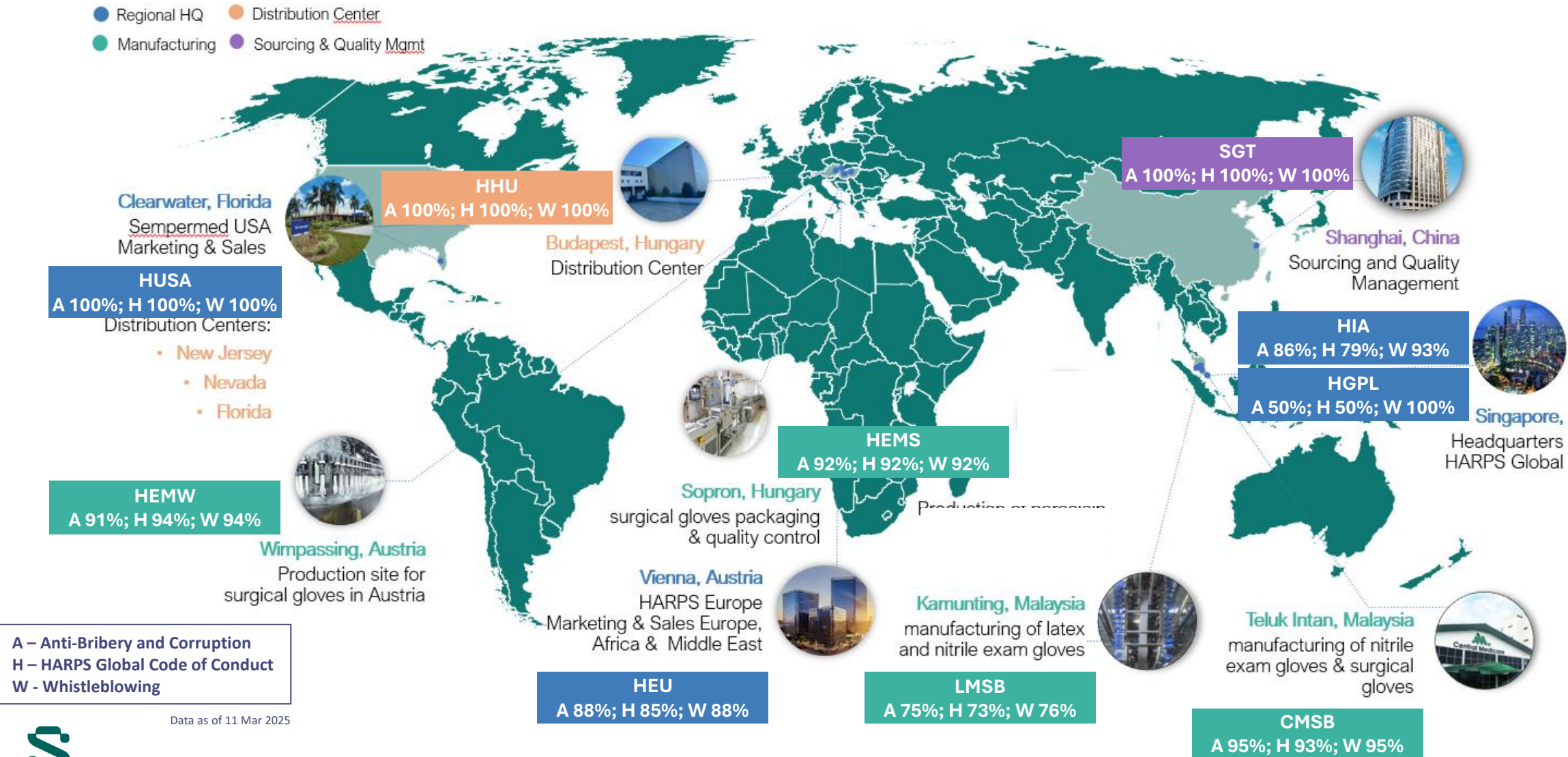
Detailed and constructive stakeholder identification, review and proactive engagement e.g. multi stakeholder collaboration - Responsible Recruitment Program



<sup>1</sup> <https://unglobalcompact.org/what-is-gc/participants/168497-HARPS-Manufacturing-Bhd>



# HARPS Global Group – Compliance Training Progress





# Emissions Update

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# CMSB GHGs Overview – Year 2019 – 2023





**Scope 1:**  
Direct GHG emissions from our operations

-  **Stationary Combustion** - covers of Natural Gas and Biomass for energy sources at production.
-  **Mobile Combustion** - covers of Diesel, Petrol and LPG for transportation.
-  **Fugitive Emissions** – covers emission of air conditioners, chillers, and fire suppressions.

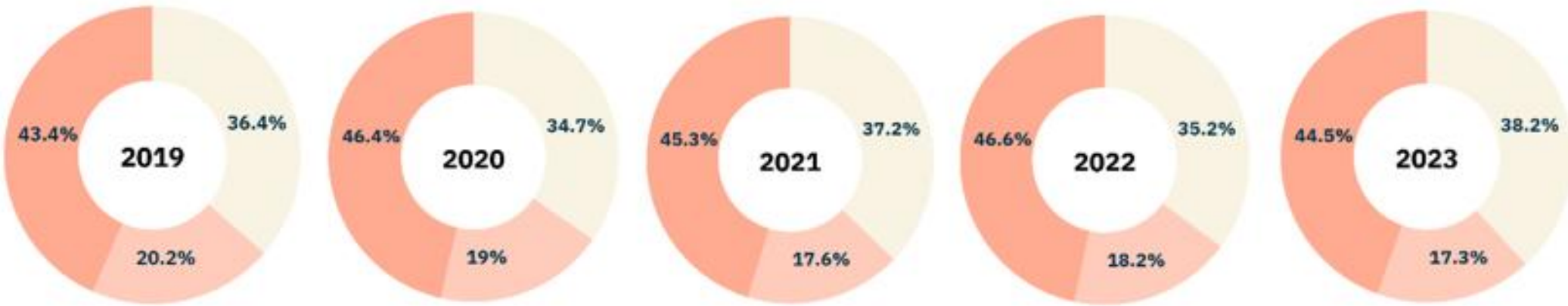
**Scope 2:**  
Indirect GHG emissions from generation of electricity

-  Covers CMSB purchased electricity from the grid for power and lighting.

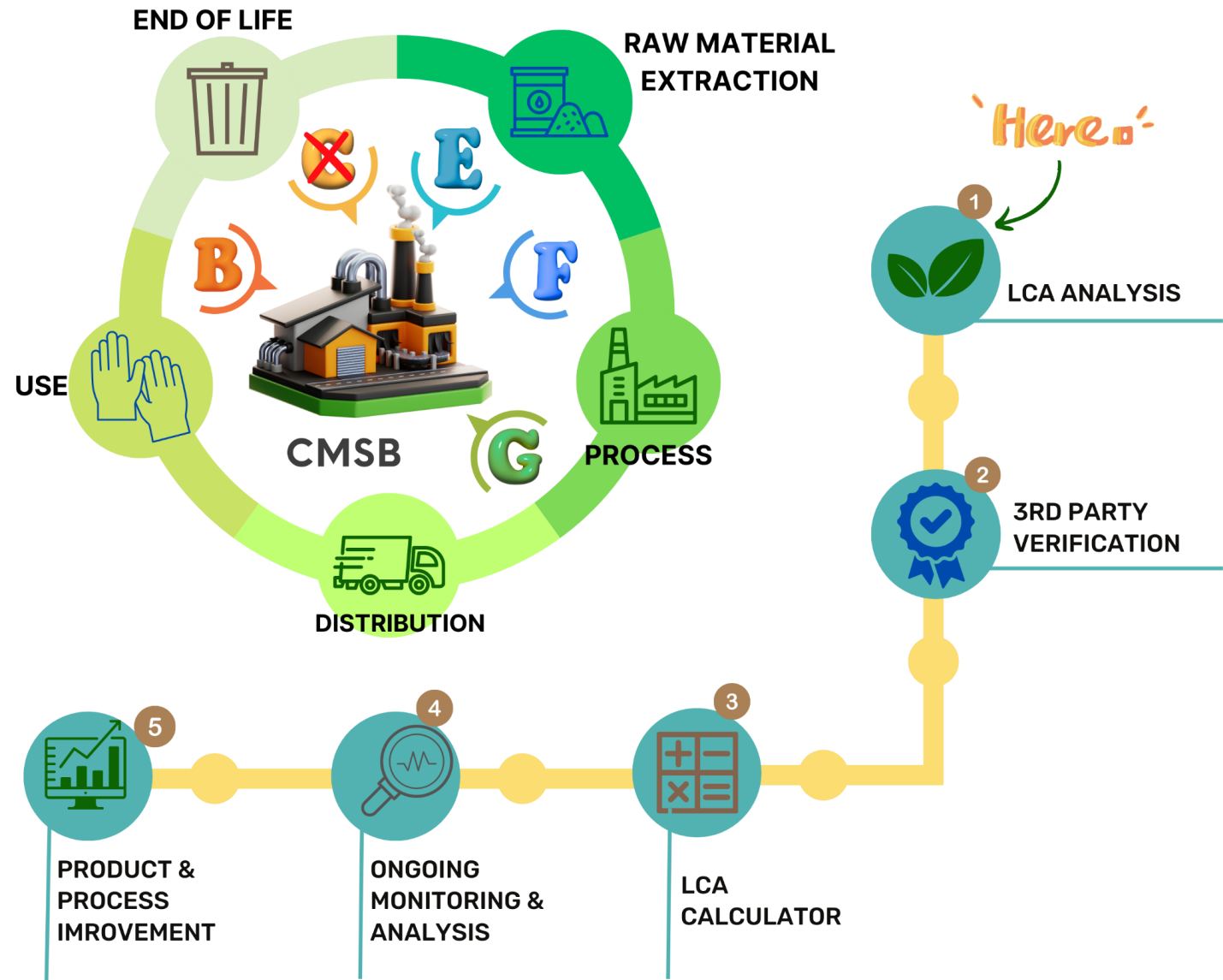
**Scope 3:**  
Indirect GHG emissions from our value chain

-  **Category 1: Purchased Goods & Services**  
Covers purchased of major goods to process and produce gloves.
-  **Category 4: Upstream Transportation**  
Covers upstream transportation and distribution of major goods.

-  **Category 5 : Waste Generation**  
Covers waste generated in CMSB's operation.
-  **Category 7: Employee Commuting**  
Covers employee commuting by car and bus from their house to factory.
-  **Category 9: Downstream Transportation**  
Covers downstream transportation and distribution for sold gloves.
-  **Category 12: End-Of-Life Treatment of Sold Product**  
Covers incineration process of sold gloves



# LCA ASSESSMENT



Nobody can do everything

**BUT**

EVERYBODY CAN DO SOMETHING !

