

Can-One Berhad

Procurement Policy

1. Purpose

The purpose of this Procurement Policy is to establish guidelines for acquiring goods and services in a manner that is transparent, ethical, efficient, cost-effective, and compliant with all relevant laws and standards.

2. Scope

This policy applies to all employees involved in procurement activities in Can-One Berhad and its subsidiaries ("the Group"), whether directly or indirectly including those engaged in sourcing, purchasing, and managing supplier relationships.

3. Policy Objectives

- **Cost Efficiency:** Achieve the best value for money in procurement activities.
- **Quality Assurance:** Secure goods and services that meet the necessary standards and specifications.
- **Compliance:** Adhere to all relevant legal and regulatory requirements.
- **Transparency:** Conduct procurement processes openly, fairly and ethically.
- **Conflict Minerals:** Ensure responsible sourcing of minerals to avoid contributing to conflict funding.
- **Confidentiality:** Safeguard sensitive and proprietary information throughout the procurement process.

4. Procurement Process

- **Supplier Qualification:** Assess suppliers based on their ability to meet quality, cost, delivery and ESG (Environment Social and Governance) requirements. Consider financial stability, technical capability, past performance and ESG compliance capability.
- **Supplier Evaluation:** Evaluate suppliers on cost, quality, delivery time, ESG compliance, and compliance with ethical, legal and regulatory standards, including conflict minerals requirements (where applicable).

- **Fair Competition/Open Bidding:** Ensure that all procurement processes are conducted fairly and transparently. All qualified suppliers should have an equal opportunity to compete. Avoid favouritism or bias in the selection process.
- **Compliance with the Group's Suppliers Code of Conduct:** Ensure suppliers are briefed, understand, and confirm their compliance with the Group's Suppliers Code of Conduct when conducting business with the Group.

5. Conflict Minerals Management

- **Due Diligence:** Conduct due diligence to ensure that materials and components sourced do not contain conflict minerals (e.g., tin, tungsten, tantalum, gold) that finance or benefit armed groups in conflict-affected areas.
- **Supplier Certification:** Where applicable, require suppliers to certify that their products are conflict-free and provide evidence of their supply chain's adherence to conflict minerals regulations.

6. Confidentiality of Information

- **Non-Disclosure:** Maintain the confidentiality of sensitive and proprietary information obtained during procurement processes. Employees must not disclose such information to unauthorised parties.
- **Data Security:** Implement measures to protect confidential information, including secure storage and transmission protocols.
- **Confidentiality Agreements:** Use confidentiality agreements (Non-Disclosure Agreements) when necessary to safeguard sensitive information shared with suppliers or during procurement discussions.

7. Ethical Considerations

- **Conflict of Interest:** Conflict of interest may arise when an employee, officer, director, or agent has a financial or beneficial interest in the supplier's business or any kind of economic ties with the supplier. Employees must disclose any potential conflicts of interest related to procurement activities. All decisions must be made impartially and objectively.



- **Gifts and Entertainment:** Employees are prohibited from accepting gifts, entertainment, or other benefits from suppliers that could influence procurement decisions.

8. Compliance and Training

- **Legal Compliance:** Ensure all procurement activities comply with relevant laws and regulations.
- **Training:** Provide regular training to procurement staff on the policy, including conflict minerals management and confidentiality practices.

This policy is effective from 1 August 2024 and supersedes previous policy dated 20 February 2018.



Marc Francis Yeoh Min Chang
Group Managing Director
Can-One Berhad