



United Nations  
Global Compact

## Communication On Progress Report 2019



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# INTRODUCTION

## About Us

Established in 1993 with the aim of providing state-of-the-art metal stamping and metal fabrication services for the electrical and electronics industries, VSP Industries (Malaysia) SDN BHD has come a long way.

Today, we have become the main sub-contractor for several reputable international companies that supply metal components throughout the world. In the spirit of strengthening our expertise and keeping up with rapidly-evolving market demands, we have also set up VSP Technology (Malaysia) SDN BHD four years later in 1997.

With this latest outfit that is always at the forefront of cutting-edge research and development, we have been able to stay ahead of market trends with the most advanced technology, thus paving the way for us to diversify into other related services such as silver contact welding, the design of jigs and fixtures, as well as product development consultancy.

Helmed by a team of qualified professionals with a wealth of experience and the necessary track record in related fields, VSP has been able to serve the varying needs of our customers across a wide range of industries, evolving from the metal stamping and metal fabrication specialist to a reputable supplier offering one-stop solutions for all manufacturing needs.

We have acquired Quality & Environment Standards, ISO 9001 (in 2003) & ISO 14001 (in 2007), implemented ERP system in 2007 and products certified to LCIE (France) and CCC (China).

# Statement from Managing Director

17th July 2019

To our stakeholders:

We are excited to confirm that VSP Technology (M) Sdn Bhd reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and consistently apply its principles into our business strategy, culture and daily operations. Last but not least, we commit to share this information with our stakeholders using our primary channels of communication.



Best Regards,  
**JK Chew**

## Human Rights

In VSP, we acknowledge and respect the principles contained in the Universal Declaration of Human Rights and UN Guiding Principles on Business and Human Rights. We are committed to uphold the human rights of workers, and to treat them with dignity and respect. This applies to all workers including temporary, contract and permanent employees.

In VSP, we monitor our activities for human rights risks and impacts to identify actual and potential human rights issues. Actions to manage and address human rights risks are guided and carried out through dialogue and in collaboration with relevant management & stakeholders when necessary.

In order to prevent human rights violations in workplace, grievance mechanism is available for employees to show their dissatisfaction towards unfair treatment, with procedures clearly written in VSP's Employees Handbook. The complaints are reviewed in different levels until satisfactory solutions are provided.

Besides, any form of inhumane treatment including any sexual abuse, mental or physical coercion and verbal abuse are strictly disallowed in the company. Disciplinary actions will be taken against those who are found guilty of convicting the abuses.

During the past one year, no case was reported on the violation of human rights. VSP will continue to commit to human rights principles while making sure no offense on human rights issues within the company.

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

## Labour

**Employees are a company's greatest asset**, VSP practice a fair employment policy as an approach to managing talents. In VSP, labour practices and policies include:

### **Freedom of Association and Collective Bargaining**

VSP respects our employees' right to join, form or refrain from joining a labour union and choose collective bargaining representatives, without interference, discrimination, retaliation, or harassment. We are committed to bargaining in good faith with such representatives when necessary.

### **Forced Labour and Human Trafficking**

VSP prohibits the use of all forms of forced labour and modern slavery as well as any form of human trafficking-related activities.

### **Child Labour**

VSP does not recruit child labour and condemns all forms of exploitation of children. "Child" in this context means any person who has not completed his fifteenth year of age according to Act 350. We strictly adhere to Children and Young Persons (Employment) Act 1966 and do not tolerate any breach of rules.

### **Non-Discrimination and Anti-Harassment**

VSP does not tolerate discrimination or harassment, and eliminates all forms of discriminatory practices with respect to all aspects of employment, which includes race, colour, religion, gender identity, age, social status, nationality or sexual orientation. We base employment decisions on merit, considering qualifications, skills and achievements. We adhere to VSP's Equal Employment Opportunity Policy in the areas of hiring, promotion, demotion or transfer, recruitment, discipline, layoff or termination, rate of compensation and company sponsored training.

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4:** the elimination of all forms of forced and compulsory labour;

**Principle 5:** the effective abolition of child labour; and

**Principle 6:** the elimination of discrimination in respect of employment and occupation.

### Safety & Healthy Work Environment

VSP committed to recognize the requirement under Malaysia Law in particular the Occupational Safety & Health Act 1944 and is aim to achieve highest degree of excellence in matters connected there in. We are committed carry out our operational activities to comply of the following objectives:-

- To ensure our work place and environment is safe & clean.
- To encourage the implementation of adequate occupational safety & health's regulations & orders to employee and all other who are associated with our company.
- To improve employee awareness, safe working ethic or method and good discipline.
- To maintain and recognized locally and internationally for our high standard in Occupational Safety & Health.
- To achieve and maintain zero occupational accident, injuries, infectious disease and poisoning.
- To reduce loss time on man – hours & production due to occupational accident or injury.



## Environment

VSP Environmental Policy serves to outline our commitment to consider and meeting our environmental obligations and responsibility in order forms the basis of our environmental management system in accordance with ISO 14001:2015. At the same time applies to all activities undertaken by VSP and impacts upon our external provider, customers and interested party.

We are committed to minimize the impacts of our operations on the environmental and ensure achievement of the following:  
Compliance with all relevant environment legislation and other legal requirements to where the organisation subscribes. In cases where no such legislation is known to exist we will employ such measures as to ensure that adequate control plan have been adopted so far as is reasonably practicable:-

- Review the environmental impact of all company activities with relevant interested parties. Identify feasible and effective control measures in order to prevent pollution and will also serve to establish objectives and targets.
- Maintain Environmental Management Program (EMP) as part of continual improvement by setting and reviewing environmental objectives and targets.
- Involve all VSP employees in our EMP and ensure adequate training is provided to ensure them to fulfil their roles and responsibilities.

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

## Environment...continue

- Engage with external provider and customers to ensure best environmental practice are adopted in our activities, so far as is reasonably practicable.
- Improve energy and other resources efficiency, and reduce waste generation.
- Identify, source, promote and purchase environmentally preferable supplies and services for all of our daily operational needs where economically feasible.

### “Society Recycle Program Campaign”

The recycling campaign was initiated since 2013 to encourage employees to reduce, reuse and recycle as much waste as possible. It aims to educate employees on the importance of recycle in order to divert useful wastes from landfill, thereby reducing the use of virgin resources. VSP encourages its employees to bring recyclables from home to VSP appointed recycling collection points every month and cultivates recycling attitudes in the office and production plant by providing recyclables collection facilities in both areas. The instructions for recycling which include separation at source and identification of recyclables and non-recyclables are well communicated within the company through emails and newsletters and available at the collection point.

VSP have re-appointed 2 Recycling Collection Point, which was Tzu Chi Charity Recycling Collection Point, Taman Pelangi Indah & Taman Setia Indah in year 2019.

### Recyclable Items



### GOTONG-ROYONG – OPERASI KESEDARAN SIVIK'

#### Cleanup Campaign 2018

On 23rd September 2018, VSP has participated in foreign worker hostel flats area cleanup at Jati & Meranti Flats, Taman Desa Cemerlang In conjunction with “ Program Gotong-Royong” organized by MPJB-Jabatan Kesihatan. The objective of this cleanup is to raise awareness of resident on general waste/debris issue and keep environment clean to prevent dengue spread. In this event, we have cleared up blocked drainage gutters, collecting abandoned containers & bottles, mowing the lawn.



# Activities Completed

## Year 2011 -2015

- ❖ Participated Blood Donation Campaign
- ❖ Donation to Poor Student
- ❖ Participated Charity Event to help the Under-Privilege
- ❖ Sponsored Donation to an Orphanage Home
- ❖ Sponsored Donation to a School Summer Camp
- ❖ Participated Society Recycle Campaign (Care 4 –Planet & Society)
- ❖ Donation to Home For The Handicapped Children
- ❖ Cleaning at Foreign Worker Hostels and Surrounding/Community

## Year 2016 –2018

- ❖ Cleaning and painting at Calvary Junior Centre
- ❖ Donation to Charity Drive for an Elementary/Primary School
- ❖ Donation to Orphanage Centre in April 2018
- ❖ Participated “Gotong-Royong – Operasi Kesedaran Sivik” Cleanup Campaign Sep 2018

## Anti-Corruption

VSP is committed to uphold anti-corruption principles and comply with Malaysian Anti-Corruption Commission Act 2009. Any corrupt practices and embezzlement of company's funds are serious misconduct and disciplinary actions may impose against any employee who breaches the policy as stated in our Employees Handbook. We expect all employees, officers, directors and third parties working on its behalf to refrain from engaging all form of bribery or corruption, irrespective of citizenship, domicile, or location.

In VSP, top management is responsible to overlook specific departments to ensure smooth and efficient operations, as well as crosscheck each departmental performance to ensure no indulgence in any form of corruption and abuse of power either directly or indirectly with any party. Besides, internal and external audits were carried out to ensure transparency and accountability in company's administration and finance. In addition, open door policy and grievance mechanism have provided employees a channel to report any suspected misconduct in the company.

In financial year 2018/2019, we were proud to announce zero case reported on corruption acts in VSP. We will continue to advocate those practices and improve our operational system to further reduce the possibility of fraud.

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