

Southland Rubber Quality and Kaizen-5S Policy 20220101

1) Purposes

- a) Southland Rubber is committed to produce and deliver consistent quality products to satisfy our customers' needs and build reliability.
- b) We are committed to continuously improve our production processes to enhance product quality.
- c) We also believe in engaging our Employees to incorporate 5S work method as our foundational culture.
- d) This document guides Executives and Supervisors to promote continuous quality improvement (Kaizen) and 5S work plans in their departments.
- e) Employees will integrate Kaizen and 5S principles in their work and continuously apply and improve on these practices.
- f) Kaizen and 5S implementation success and results shall form part of Employees' annual performance evaluation.
- g) A designated Director of each Group Company and/or the Head of a branch unit/factory shall be responsible for the collective implementation of and compliance with this Policy.

2) Commitment to Quality

- a) We will produce quality products to fully meet our customers' specifications and expectations.
- b) We will institute programs to raise awareness of quality control and production cost control.
- c) We will consistently apply and maintain our ISO 9001 and other quality management systems.
- d) We will continuously promote and apply 5S principles (sort, set in order, shine, standardize, and sustain) in our production and administrative processes.
- e) While pursuing our quality standards in processing, we will pay close attention to maintaining sustainable practices regarding the environment, social responsibilities and work-force health and safety.



- f) We will communicate to all levels of Employees and relevant stakeholders the same understanding and the adoption of this Policy.

3) **Commitment to Kaizen-5S Implementation and Objectives**

a) **Implementation:**

- i) Establish organizational standards which encourage trust among related persons;
- ii) Create the outcomes that bring pride to all Employees;
- iii) Develop a safe and clean working environment;
- iv) Build capacity and cultivate discipline among Employees,

b) **Objectives**

- i) Have in place Kaizen-5S programs for continuous management and quality improvement;
- ii) Achieve business targets agreed among Executives and Employees;
- iii) Achieve targeted volume set for each customer with zero claim;
- iv) Improve yearly on sustainability and customer assessment scores;
- v) Achieve commendable feedback from surveys of key stakeholders (customers, suppliers, Employees, investors and others);
- vi) Apply Reduce, Re-use and Re-cycle operations wherever feasible;
- vii) Achieve goals set for PQCDMSME (Productivity, Quality, Cost, Delivery, Safety, Morale and Environment);
- viii) Achieve zero case for industrial accident;
- ix) Achieve time, frequency and participation targets planned for capacity, skills and compliance training;

**Updated by Management of Southland Rubber
1 January 2022**