



LABOUR STANDARDS POLICY

1 INTRODUCTION

QES Group Berhad and its subsidiaries (“QES”) are committed to upholding high standards of labour practices that comply with local laws and align with our Environmental, Social, and Governance (ESG) principles. This Labour Standards Policy (“Policy”) outlines our commitment to ensuring fair treatment, safety, and well-being of all employees, while fostering a diverse, inclusive, ethical, and sustainable working environment.

2 APPLICABILITY

This Policy applies to all divisions and personnel within QES, including directors, employees, and other relevant internal stakeholders associated with our operations.

In line with our commitment to high labor standards, this Policy also extends to external parties. We encourage all current and prospective suppliers, business partners, and contractors to uphold these standards when engaging in business activities for or on behalf of QES.

3 POLICY COMMUNICATION

To ensure comprehensive awareness among employees and relevant stakeholders, the Policy will be communicated globally through various internal channels, including email and the company intranet, as well as publicly disclosed on QES’ corporate website. The Policy will be translated into multiple languages, including Bahasa Malaysia and English, to accommodate our diverse workforce and facilitate clear understanding across different regions. Training and awareness programs will also be conducted to support the Policy's implementation across the organization.

4 COMMITMENT

4.1 Child Labour

QES does not engage in or support the employment of individuals below the legal working age as stipulated in the applicable laws in each jurisdiction where we operate. We recognize that every child is entitled to education, recreation, a safe living environment, and protection from harm.

QES has established the following principles to uphold its fundamental value of treating all children and young individuals with dignity and respect. For the purposes of these principles, a "child" or "young person" refers to anyone under the minimum legal working age defined by local regulations. QES will not employ children or young individuals who have not attained the legal working age.

- a. QES strictly opposes the exploitation of children, as well as any form of forced labour.
- b. QES expects our suppliers and contractors to adhere to the same standards. If QES becomes aware of a violation of these principles, we will terminate the business relationship.
- c. QES supports temporary internship programs in the workplace, provided that such individuals are closely monitored and that their moral well-being, safety, health, and mandatory education are fully protected.

4.2 Forced Labour

QES strictly prohibits all forms of forced, unpaid, or involuntary labor within our organization. Employees have the right to end their employment of indefinite or extended duration by providing a notice of reasonable length, in line with applicable local or national laws or mutual agreement.

QES acknowledges the shared responsibility with suppliers, vendors, subcontractors, and recruitment services (collectively referred to as "Suppliers") in addressing the issue of forced labor. This policy establishes a clear contractual obligation that is a condition for any business relationship with QES.

4.3 Non-Discrimination or Equal Opportunities

QES operates in many countries and diverse cultures. QES is committed to fair, respectful, and equal treatment of all its employees and those who seek employment with QES. It is QES's policy to maintain a workplace free from discrimination and harassment. Employees shall not discriminate, or be discriminated against or harassed, on the basis of origin, nationality, religion, race, gender, age, disability, sexual orientation, or any other relevant category. Employees who feel that they, or observe that other employees, are subjected to discrimination or harassment, are encouraged to raise their concerns with the HR department or through the QES' Whistle Blowing Policy.

4.4 Freedom of Association and Collective Bargaining

QES acknowledges and respects the right of all employees in regard to their participation in the formation, membership and lawful activities of a trade union such as the right to bargain collectively with no fear of any negative repercussions so long as the actions taken are in accordance with the applicable local laws.

4.5 Elimination of Excessive Working Hours

QES is committed to promoting a healthy work-life balance for all employees. We aim to eliminate excessive working hours, ensuring compliance with legal requirements and fostering a productive, safe, and sustainable working environment.

- a. Working hours and overtime shall be limited to what is acceptable by local laws and the information shall be communicated to all employees in written via memos or other channels of communications.
- b. Any work performed beyond the standard working hours is considered overtime and will be compensated at the rates prescribed by law. Overtime shall not exceed the maximum limits set by local laws, unless in exceptional cases permitted by law.

4.6 Right to a Minimum or Living Wage

QES complies with the Minimum Wages Order or equivalent legislation in each jurisdiction where we operate, ensuring that all employees receive at least the minimum wage mandated by local or national laws.

4.7 Equal Pay for Equal Work

QES guarantees that women and men performing identical or comparable roles of equal value receive equal pay, ensuring fairness in hiring practices, performance evaluations, promotions, and leadership opportunities. Pay structures that reward performance and other legitimate factors should continue to comply with the law. Compensation and rewards will be based on individual employee performance and are subject to the Company's lawful discretion.

QES respects privacy concerns and does not endorse any initiatives that require the disclosure of confidential salary information of one employee to another interested party or any unrelated third parties.

4.8 Supporting the Community

QES offers internship opportunities to students from higher learning institutions across the regions where we operate. This provides students with valuable workplace exposure and enhance their employability upon graduation.

Commitment to Local Employment and/or Sourcing:

QES is dedicated to supporting the communities in which we operate by prioritizing local employment and sourcing. We are committed in creating job opportunities for local residents and sourcing goods and services from local businesses, thereby contributing to the economic development and sustainability of our region.

Local Employment:

- a. We prioritize hiring local talent for all positions within the company. Our recruitment efforts will focus on identifying and developing skills within the

local community.

- b. We are committed to providing training and development opportunities to local employees to enhance their skills and career prospects within the company.
- c. We ensure that all hiring decisions are made based on merit and qualifications, without discrimination. We strive to create a diverse workforce that reflects the local community.

Local Sourcing:

- a. We prioritize sourcing goods and services from local suppliers whenever possible, provided they meet our quality, cost, and sustainability criteria.
- b. We support the growth of local suppliers by providing them with opportunities to participate in our supply chain. Where necessary, we offer guidance and resources to help local suppliers meet our standards.
- c. We are committed to sourcing from local suppliers who adhere to sustainable and ethical practices, ensuring that our supply chain aligns with our ESG goals.

We actively engage with local communities to understand their needs and concerns. This engagement helps us tailor our employment and sourcing strategies to benefit the local economy. We collaborate with local educational institutions, government agencies, and non-profit organizations to support initiatives that promote local employment and business development.

4.9 Human Rights

QES is dedicated to upholding human rights as outlined in the United Nations Universal Declaration of Human Rights. We believe that our business operations can and should positively impact the communities where we operate. This commitment is integrated into our policies, systems, and practices, and applies to all employees, contractors, and suppliers.

At QES, every employee is responsible for fostering a work environment that upholds respect for human rights and is free from any form of discrimination or harassment.

In all of our operations, we must:

- a. Avoid causing or contributing to negative human rights impacts in all business activities
- b. Set human rights expectations to our business partners according to the UN Guiding Principles on Business and Human Rights
- c. Report human rights concerns
- d. Prevent and mitigate recurrence of actual negative human rights impacts and provide for remedy where necessary

5 REPORTING

Any individual who knows of, or suspects, a violation of the Policy, is encouraged to whistle blow or report the concerns through the mechanism set out under the QES' Whistle Blowing Policy. Anyone who reports or discloses improper conduct will be accorded with protection of confidentiality of identity, be protected against any adverse and detrimental actions for disclosing any improper conduct committed.