



SUPPLIER CODE OF CONDUCT

1 INTRODUCTION

QES Group Berhad and all its subsidiaries (“QES”) are fully committed to complying with all applicable laws and regulations required in the conduct of its business, including in relation to due diligence obligations in its supply chain including anti-corruption, human rights, information security, fair-trade and environmentally friendly practices and child labour law requirements. Accordingly, the aim of the QES Supplier Code of Conduct (hereafter ‘the Code’) is to help QES maintain this commitment by setting standards which QES expects its Suppliers, their employees, agents, subcontractors, and other representatives to respect and adhere to when conducting their business dealings.

The Code outlines standards for ethical behaviour by QES employees and business partners. It sets out our 4 key principles and 11 key risk areas, each of which are explained in detail. It explains how compliance is a commitment, and a responsibility shared by all of us.

The Code is applicable to all our Suppliers and contains the minimum standards of adherence to QES Suppliers. It is integrated into contracts with our Suppliers. Suppliers may also have individual contracts with QES that contain specific provisions and/or agreements relating to these standards. In case of conflict between the requirements outlined in law, individual contracts and this Code, Supplier must comply with the strictest requirement. It is the Supplier’s responsibility to disseminate, educate and exercise diligence in verifying compliance with this Code among its employees, agents and suppliers.

Suppliers who believe that a QES employee, or anyone acting on behalf of QES, has engaged in illegal or otherwise improper conduct with respect to their business with the Supplier should report the matter to QES.

All reports will be handled in a confidential manner. A Supplier’s relationship with QES will not be affected by any honest report of potential misconduct.

QES will provide its Suppliers and the public with the latest information on this Code through the publication on the corporate website at www.qesnet.com

2 BUSINESS PRACTICES

QES requires that all Suppliers observe all applicable national and international laws and regulations, and exercise the highest standards of business and personal ethics, by acting with integrity in an open and honest manner, including:

2.1 Anti-Bribery and Corruption

Suppliers dealing with QES or acting on behalf of QES must comply with all relevant anti-bribery and corruption laws and regulations. All forms of bribery, kickbacks, corruption, extortion, embezzlement, and unethical practices with the aim of influencing decision-making processes, independent of whether these processes violate applicable law or not, are prohibited, and Suppliers must have a zero-tolerance policy and prohibit any such behaviour. QES employees are prohibited from accepting any gift, no matter what the value, from a current or prospect Supplier or a company in exchange for doing business with QES.

2.2 Communication

Suppliers may not utilize QES's name, trademarks, logos, graphics, or images unless expressly permitted in writing by QES. Significant agreements with distributors, brokers and Suppliers should be set out in writing.

2.3 Confidential Information

Suppliers who have been given access to confidential information as part of the business relationship must not share this information with anyone else unless authorized to do so by QES. If a Supplier believes it has given access to QES's confidential information in error, the Supplier should immediately notify its contact at QES and refrain from further distribution of such information. Suppliers will be asked to sign a Confidentiality and Non- Disclosure Agreement.

2.4 Conflict of Interest

Suppliers shall act in the best interests of QES and use QES's information, property and resources primarily for QES's benefit and to support QES's business needs. Suppliers must fully and promptly disclose all personal interests that might reasonably be perceived as affecting their judgment to perform their roles at QES or that may create an appearance of impropriety. Supplier shall avoid any activity at work or outside of work that might interfere with their obligations to QES or that could hurt the good reputation of QES.

2.5 Fair Competition

Suppliers shall not engage in anti-competitive practices such as price fixing, sales volume manipulation and artificial division of the market in conjunction with third

party competitors. Suppliers will also adhere to relevant laws pertaining to anti-trust and fair competition. Compliance with competition laws and fair competition is part of QES's way of doing business and is important to our business strategy.

2.6 Intellectual Property

Suppliers are expected to respect intellectual property rights and safeguard all confidential information, including that of QES and its customers. Suppliers must therefore manage technology and process information in a manner that protects intellectual property rights.

2.7 Trade Compliance

The provision of items, including but not limited to hardware, software, documentation, source code, technical data, or other technology around the world, is regulated by national and international trade and sanctions laws that may impact QES's operations in multiple ways. The physical or electronic transmission (in paper format, by email, or through the web) of items across borders, or even the written or oral exchange of information among citizens of different nations who are all co-located in one country, are in scope of these laws and may be strictly regulated. QES is committed to compliance with all applicable trade and sanctions laws and regulations that impact its operations, including export control and customs compliance. We are committed to preparing, executing and reporting international business accurately and transparently to trade authorities. We expect our Suppliers to comply with all applicable trade and sanctions laws and regulations in their own operations and to cooperate fully with QES to ensure regulatory compliance throughout the supply chain.

3 EMPLOYMENT RELATED PRACTICES

We expect our Suppliers to conduct their activities in a manner that respects human rights, at a minimum to comply with the relevant local employment laws. Where local law provides weaker protection for human rights than international conventions or this Code, we expect the Suppliers to adhere to the more stringent requirements of international conventions or this Code.

3.1 Applicable Local Labour Laws

All business activities of Suppliers must comply with all national and local legal requirements along with published industry standards pertaining to employment and manufacturing in the applicable country. Supplier must be able to demonstrate that all employees are legally eligible to work in the applicable country.

3.2 Freedom of Association

Suppliers shall respect the rights of workers to associate or not to associate with any group, as permitted by and in accordance with all applicable laws and regulations. Suppliers should adopt an open attitude to the activities of trade unions and worker representation groups, and their organisational activities. Worker representatives must not be discriminated against and have access to carry out their representative functions in the workplace.

3.3 Forced Labour, Slavery & Human Trafficking

QES explicitly forbids any form of forced, bonded, involuntary or indentured labour, including modern slavery and prison labour as defined in International Labour Organisation (ILO) Conventions and national laws. Suppliers must ensure that all employment is freely chosen, and that workers can leave their job without penalty where reasonable notice is given. QES's suppliers must prohibit the use of forced or involuntary labour and embrace employment practices consistent with ILO conventions pertaining to forced labour and modern slavery laws.

3.4 Child Labour Practices

Suppliers must comply with all applicable child labour laws and are prohibited from using workers under the legal age of employment in the relevant country or where work interferes with schooling requirements under applicable local laws and regulations. The term "child" refers to any person under the minimum legal working age as defined by the local regulators. Suppliers shall not hire any worker who is less than 15 years old regardless of the legal age of employment in the relevant country.

There shall be no use of child labour in production or anywhere else in the business. The use of workplace apprenticeship programs, which comply with all laws and regulations, is encouraged. Workers under the age of 18 shall not be employed at night or in hazardous conditions.

3.5 Non-Discrimination or Equal Opportunities

Integrity and respect are integral to our essentials of being open, fearless, and empowered. We respect all individuals regardless of age, disability, gender identity, characteristics or expression, marital or civil partnership status, pregnancy or parental status, race, religion or belief, sex, sexual orientation, or any other characteristic protected by law. Bullying, harassment, discrimination, and retaliation, in any form, are prohibited.

Suppliers shall be committed to provide a workplace free of harassment and unlawful discrimination. Suppliers shall not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation,

or civil status in hiring and employment practices such as promotions, rewards, and access to training.

3.6 Right to Collective Bargaining

Supplier shall recognise and respect the right to collective bargaining of its employees and/ or workers as permitted by laws and regulations.

3.7 Elimination of Excessive Working Hours

Suppliers must comply with all applicable labour laws, regulations and industry norms relating to working hours and breaks. Suppliers shall ensure that all overtime work is voluntary and within the permissible overtime hour regulated by the local law, and ensure it is compensated at the prevailing overtime rate.

3.8 Right to a Minimum or Living Wage

Suppliers are expected to pay a fair and reasonable wage and at minimum, to comply with applicable legal and industry standards. This includes those relating to minimum wages, overtime hours and legally mandated benefits.

3.9 Harassment & Abuse

Suppliers will ensure that their employees and workers are not subjected to psychological, verbal, sexual or physical harassment or any other form of abuse and will comply with all applicable laws on harassment and abuse of workers. Suppliers must have internal policies prohibiting harassment or abuse of employees, along with stated disciplinary processes.

The threat of any form of harassment or abuse is also strictly forbidden. Suppliers who engage with security forces for business activities shall strictly forbid use of violence, and must ensure any security activities are in line with the law.

3.10 Diversity & Equality

QES is an equal opportunity employer and expects its Suppliers to similarly promote the hiring, training, compensating, promoting and termination of employment of persons based on their individual talents and abilities and willingness to do the job and criteria which are allowed under law. QES actively promotes diversity across its business.

3.11 Compensation

Supplier's workers must be fairly compensated and provided with wages and benefits that comply with applicable national and local laws. This includes paying of overtime,

premium pay and equal pay for equal work without discrimination where applicable. There shall be no disciplinary deductions from pay.

Suppliers must pay employees wages and benefits that meet at least the government-mandated or collective industry-authority agreed minimum, whichever is higher.

Wages must be paid at regular intervals, agreed upon in the worker's contract and should be provided with a valid payslip or document that verifies accurate compensation for work performed.

Suppliers must ensure workers understand and receive any benefits or compensation that they are legally entitled to, including parental leave, paid holidays, or social insurance. Deductions from wages as a disciplinary measure must not be permitted nor must any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

4 ENERGY USE

QES aims to reduce our reliance on fossil fuels and lower our carbon footprint across the value chain. QES's suppliers must take precautionary steps to minimize their use of resources and ensure efficient energy consumption. QES expects, wherever feasible, for suppliers to implement appropriate measures to transition to renewable energy such as utilizing fuel-efficient vehicles, investing in solar, wind and hydroelectric power.

5 CLIMATE CHANGE IMPACT INCLUDING CO2/GHG EMISSIONS

QES's suppliers are encouraged to make efforts to reduce greenhouse gas outputs through energy performance and efficiency measures. Upon request (and where practicable) suppliers must provide reporting data on third party transportation and distribution of products, including between a company's tier 1 suppliers and its own operations, and between the point-of-sale and the end-consumer (including retail and storage).

6 WATER USE

For the supply of commodities and equipment, QES's suppliers are encouraged to adhere to standards and best practices where applicable, in relation to energy efficiency, water consumption and water management.

7 BIODIVERSITY ISSUE

Suppliers shall make their best effort to maintaining and generate positive impact on biodiversity. They shall take responsibility for the protection of biodiversity in the fields in which they currently operate and will carry on doing so in any future projects.

8 ENVIRONMENTAL ISSUE

In our continuous efforts towards minimizing negative impact to the environment, suppliers shall take a precautionary approach and adopt environmentally friendly practices considering impacts on climate change. Suppliers shall comply with all applicable environmental laws, regulations and internationally recognised standards. Any additional environmental requirements specific to the products or services being provided to QES as called for in design and product specifications must also be adhered to.

For the supply of commodities and equipment, QES's suppliers are encouraged to adhere to standards and best practices where applicable, in relation to energy efficiency, water consumption and water management, environmental protection including minimizing impacts on biodiversity, Restriction of Hazardous Substances (RoHS), waste management including e-waste management and circularity.

Suppliers are encouraged to have adequate management systems and controls in place to ensure compliance with this policy. The functioning and quality of the suppliers' management system should be adequate to the size, complexity and risk environment of its business.

QES's longstanding commitment to the protection of the environment and management of environmental issues actively, openly, and ethically meets and often exceeds legal and regulatory requirements. QES continuously seeks to prevent pollution and to reduce the environmental impacts of its products and services during design, procurement, manufacturing, use, and end-of-life. We also expect our business partners and suppliers to share our commitment to the environment.

9 POLLUTION PREVENTION

Suppliers shall continuously improve environment management in order to reduce consumption of natural resources, minimize waste and prevent pollution at the source.

10 WASTE REDUCTION

QES's suppliers shall have in place robust waste management practices to ensure proper handling, storage, treatment and disposal of waste generated throughout our supply chain. Where feasible, circularity with a focus on recyclability, durability and

reparability must be adopted for as long as possible to reduce the need for sourcing of new resources.

11 RESOURCE USE

Suppliers are encouraged to comply with applicable conflict minerals regulations. Suppliers must ensure that they minimise the use of persistent organic pollutants (POPs), mercury and any other substances harmful to the environment. The acquisition, use, management, storage and disposal of such substances must be recorded clearly and done in compliance with national and international law.

12 HEALTH AND SAFETY STANDARDS

A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Workers shall receive regular and recorded health and safety training and such training shall be repeated for new or reassigned workers. Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

12.1 Workplace Environment

Suppliers must provide their workers with safe and healthy working conditions and, where provided, living conditions. This includes, at a minimum, potable drinking water, adequate and clean restrooms, adequate ventilation, fire exits, essential safety equipment, emergency first aid kit, access to emergency medical care, and appropriately lit workstations. Suppliers shall ensure that all workers receive communications and training on emergency planning and safe work practices. In addition, Suppliers shall have systems to prevent, detect, and respond to potential risks to the safety, health, and security of all employees. Suppliers' facilities must be constructed and maintained in accordance with the standards set by applicable national and local laws, codes and ordinances.

Records of health and safety systems, activities and any accidents or incidents must be kept in accordance with local law or industry standard.

12.2 Worker's Accident and Safety

Suppliers are required to provide relevant communication embedding a safety culture and training to avoid accidents. Suppliers are required to provide the adequate safety personal protective equipment and instructions on its proper use and equipment when relevant.

13 CONDUCT ESG-RELATED AWARENESS TRAINING TO ALL EMPLOYEES

Suppliers are encouraged to provide ESG-related awareness training to all staff responsible for performing regular assessment and communicate its social and environmental company statement to all employees.

14 AUDITS

Suppliers should maintain accurate and transparent books, records, and accounts to demonstrate compliance with applicable laws and regulations, and this Code. QES reserves the right to verify the Suppliers compliance with the Code, in particular through on-site visits, by requesting the Supplier to respond to questionnaires or to provide documents. If QES becomes aware of any actions or conditions that are not in compliance with the Code, the Supplier shall provide corrective and preventative actions.

Suppliers must also conduct themselves and their business activities so to meet the requirements of laws that apply to QES by following this Code.

14 QUERIES

In case of any questions concerning this Supplier Code of Conduct, Suppliers should contact QES at 603-5882 6668 (SCM Department).