

HUMAN RIGHTS POLICY

Policy Brief, Purpose & Scope

Thong Guan Group (TG or TGIB or the Company) recognizes the social responsibility to provide a working environment where employees are treated with respect, dignity and fairness. This commitment is built upon a framework of policies and procedures designed to ensure this objective is embedded right from the recruitment to career development and retention of employees.

TG is dedicated to the values and standards of business and ethical behaviour that comply with all applicable laws and regulations and includes company policies, practices and procedures. TG respects internationally recognized Human Rights as established in the Universal Declaration on Human Rights and the International Labour Organization's (ILO) Core Conventions.

This policy applies to the entities that we own and the facilities that we manage. We expect our business partners, including suppliers, to adopt and adhere to similar values and practices. We are committed to avoiding adverse human rights impacts and complexities resulting from or caused by our business activities; we have incorporated due diligence that is aligned with the UN Guiding Principles (UMGP) on Business and Human Rights. We seek to insert human rights considerations in all of our global business operations, products, services and supply chain. TG will continue to find ways to promote and enhance human rights within its scope of influence.

We also encourage our employees to report any actual, suspected or potential violations of all Company policies, including but not limited to this Human Rights and Labour Standard Policy. All company policies shall be reviewed on an annual basis and updated where necessary to ensure the continuous improvement of working conditions.

Definition of Human Rights

According to the UN, Human rights are rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and many more. Everyone is entitled to these rights, without discrimination.

Objectives

The objective of TG's policies is to provide an overview of expectations for employees and business partners. The Human Rights policy exists to:

- 1) Inform employees, business partners and customers of TG's commitment to human rights.
- 2) Establish TG's commitment to showing its respect for human rights through on-going human rights due diligence.
- 3) Maintain TG's high ethical standards in accordance with the organization's core values.
- 4) Contribute to the realization of human rights globally.

Policies

TG has adopted the below policies and has create awareness to all employees through incorporate these policies in employee's handbook and briefing through new employee orientation program.

Child & Forced Labour

We do not use any form of forced labour, including prison labour, indentured labour, bonded labour, military labour, modern forms of slavery and any form of human trafficking. TG also prohibits all forms of exploitation of children. More details:

- As define in The Children and Young Persons (Employment) (Amendment) Act 2010. The terms 'child' means any person who has not completed his/her 15 years of age. The term 'young persons' means any person who not being a child, has not completed his/her 18 years of age.
- Child labor, as defined by the International Labor Organization (ILO) Convention is "work by children under the age of 12; work by children under the age of 15 that prevents school attendance; and work by children under of age of 18 that is hazardous to the physical or mental health of the child.
- TG does not employ any person below the 18 years of age at its workplace facilities and the age is substantiated by the person's Malaysian national registration identity card.
- TG explicitly prohibits the use of forced or compulsory labour in its premises. No employee is made to work against his/her will or work as bonded/forced labour, or subject to corporal punishment or coercion of any type related to work.
- Freely chosen employment - Ensure that employees work of their own free will and are free to leave the Company upon reasonable notice under the terms of their labour contract. There shall be no unreasonable restrictions on freedom of movement in the company.
- No employee of TG may hire child or forced labour on behalf of TG.

Freedom Of Association and Collective Bargaining

- The Company is committed to providing freedom of association for all our employees in line with the International Labour Organization (ILO) Core Conventions.
- The freedom of association shall be instituted according to and within the Trade Union Act 1959, Industrial Relations Act 1967 and Immigration Act 1956/63 of Malaysia.
- Where the right to freedom of association and collective bargaining are restricted under the law, The Company will allow its Employees to choose their representatives freely.
- TG respect freedom of association and collective bargaining as part of our commitment to support the fair and equitable treatment of our Employees. The Company will not refuse any genuine opportunity to collectively bargain with Employees who want to do so.
- Employees, without distinction, have the right to join or form trade unions of their own choosing without prior authorization, and to bargain collectively. The Company will refrain from any activity that is likely to discourage Employees from exercising their union rights. Any union membership will not lead to disciplinary measures or punitive actions.
- Trade unions have access to the company premises. TG will not interfere with the organizing of activities of Employees, Employees representatives, or representatives of trade unions. Employees representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- The purpose of this policy is to ensure that Employees of The Company are provided with an environment which is free from unlawful discrimination, harassment or victimization and that we are implementing the Company's commitment to equal opportunities, freedom of association and collective bargaining at all times.
- The management, supervisors and individuals of The Company, professionally involved in administration activities, undertakes the responsibility for implementing this Freedom of Association Policy. This policy applies to our entire organization and those we do business or partner with including suppliers, vendors and contractors.

Anti- Discrimination

- TG is committed to a policy of equal employment opportunity and does not discriminate in the terms, conditions, or privileges of employment on account of race, colour, sex, religion, gender, age, national origin, disability or marital status or otherwise as may be prohibited by the Laws of Malaysia.
- Employees who discriminate their colleagues or subordinates will go through our disciplinary process and we may reprimand, demote or terminate them depending on the severity of their offense. TG will not be lenient in cases of discrimination in the workplace.

No Harrasment

- TG is committed to maintaining a fair and equitable environment which is free from discrimination and/or harassment in line with its obligation under Malaysian Law. The company will not tolerate discrimination against employees, volunteers or agency clients.
- Harassment or intimidation of a client, staff person or guest because of that person's race, colour, sex, religion, gender, age, national origin, disability or marital status is specially prohibited and may be grounds for termination.
- Harassment and intimation include abusive, foul or threatening language or behaviour.
- Harassment on any basis (race, colour, religion, national origin, gender, age, disability, sexual orientation, marital status, social background etc.) *exists whenever:*
 - i. Submission to harassing conduct is made, either explicitly or implicitly, a term or condition of an individual's employment.
 - ii. Submission to or rejection of such conduct is used as the basis for an adverse employment decision affecting an individual.
 - iii. The conduct unreasonably interferes with an employee's work or create an intimidating, hostile, or offensive work environment.

Safe, Healthy & Working Environment in the Workplace, including Migrant Worker Welfare

- We seek to ensure that all employees including foreign workers, work in a safe and healthy environment as well as reasonable conditions and that they are treated with dignity and respect.
- We work to take effective steps to prevent potential accidents and injuries to employee's health by minimizing, so far as is reasonably practicable, and in cooperation with its employees, workers and other members of staff, the causes of hazards inherent in the workplace.
- All employees will receive safety and job specific health and safety instructions during the course of their employment with the Company.
- Employees shall have access to clean sanitary facilities and drinking water.
- All workers have access to personal documentation and passports.
- TG have its Group Integrated Quality, Health, Safety & Environmental Policy to govern the practices under this topic.

Minimum Wage and Working Hours

- TG upholds to its core values in human capital, by complying to all laws and regulations that is applicable to its company at respective jurisdiction that the Company is located.
- The Company shall comply with applicable laws and industry standards on working hours and holiday entitlements. Compensation paid to employees shall comply with all applicable wage

laws, including those relating to minimum wages, overtime hours and legally mandated benefits.

- 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.
- Disciplinary actions will be taken against person in charge that are found violating these regulations without valid reasons.
- Wages shall be paid at regular intervals and according to laws.

Guidance & Reporting For Employees

TG is strive to create workplaces in which open and honest communication among all employees is valued and respected. TG also committed to complying with applicable labour and employment laws wherever we operate. In addition, we work to achieve full employee engagement as the foundation of our mutual success; strive to create a culture that champions respect and inclusion; offer competitive wages and benefits; and implement clear health and safety practices.

Any employee who believes a conflict exists or has come to exist between the language of this policy and the laws, customs and practices of the place where he or she works, or who has questions about this policy or would like to confidentially report a potential violation of this policy should raise those questions and concerns with his or her Immediate Superior or Head of Department and Admin & HR Department. They can also submit their grievances and remain anonymous at the same time via alternative channels provided (email, website, hotline) including through whistleblowing channel (Refer whistleblowing policy). Employees will not have any form of retaliation action taken against them for doing so. All grievances submitted will remain confidential.

Responsibilities

- The Social Compliance Committee (SOC) is primary responsible to maintain this policy and to perform an annual review on the policy. (Refer SOC organisation chart)
- Human Resource department is task to perform all the routine duties to ensure this policy is functioning as its intended purpose and to takes any appropriate disciplinary actions, remedial actions or recommendation as and when necessary.
- Person in charge of the HR Department will ensure smooth communicating of this policy to our employees.
- Ensure that a grievance mechanism is available for receiving and addressing complaints of violations of this policy and is communicated to all employees.