



AIMFLEX Corporate, Social & Environment Responsibility (CSER) Policy

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Reviewed & Approved by:

A handwritten signature in black ink, appearing to read "Chuah Chong San", written over a horizontal line.

Chuah Chong San

Managing Director

Approval Date: 07 December 2023

1.0 INTRODUCTION

AIMFLEX is committed in its Corporate, Social & Environment Responsibility (CSER) agenda. The Policy reflects the Group's existing culture and serves as a guide for all stakeholders, internally and externally. It describes the values, principles and practices that guides business conduct in the Group in relevance to the AIMFLEX Code of Conduct and Sustainability Statement and related Management System criterias.

Objective of CSER Policy

AIMFLEX has embarked upon the process of institutionalizing its commitment at being socially responsible with the aim of sustainable development. The purpose of this policy is to define the company's CSER scope, governance structures and code of conduct.

Scope of CSER Policy

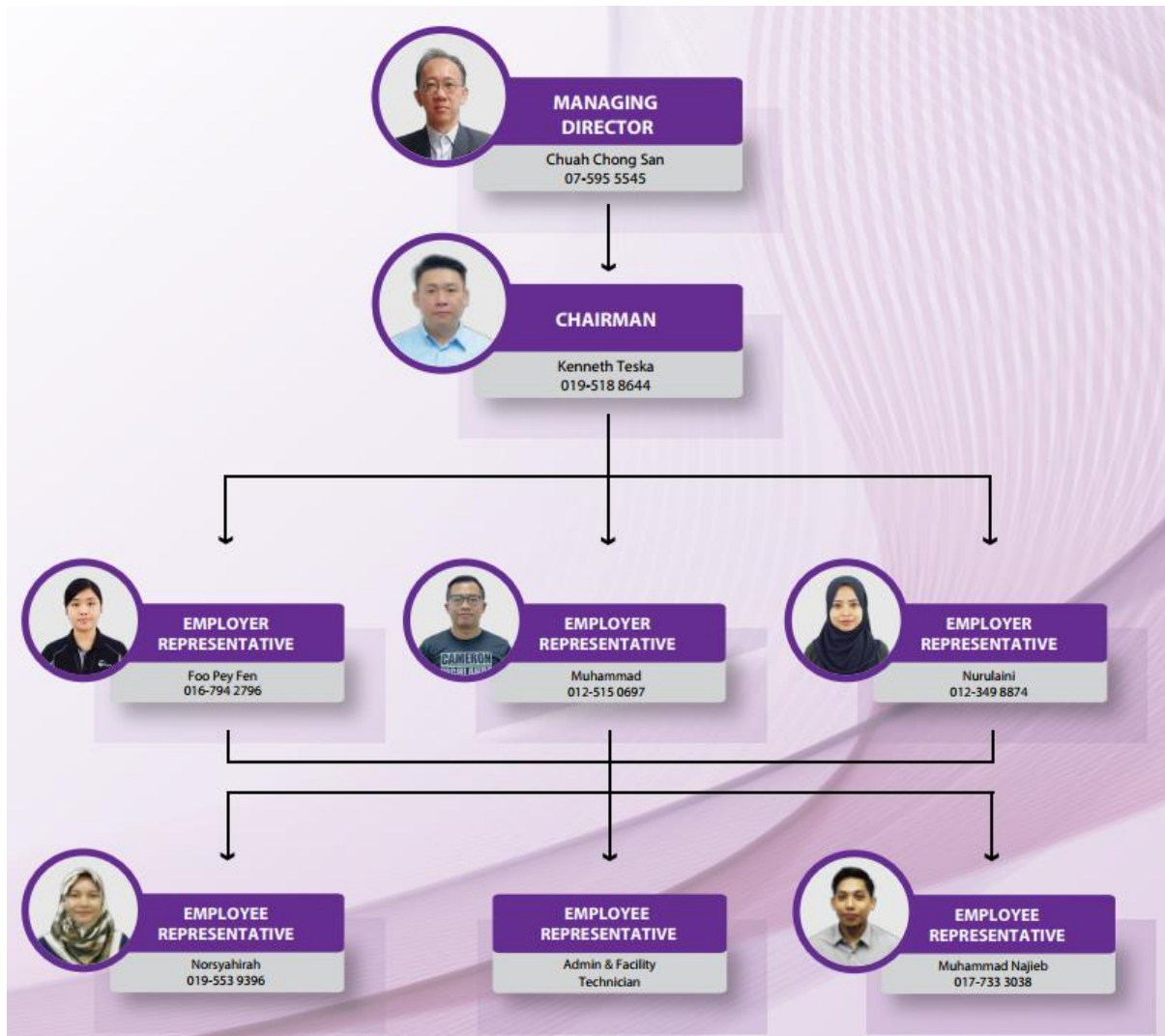
This CSER Policy will be applicable to AIMFLEX Berhad and its related subsidiaries.

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2.0 GOVERNANCE STRUCTURE

The company has put in place the following governance structure to ensure that CSER policy is implemented and monitored effectively. The roles and responsibilities are defined at each governance level.

AIMFLEX CSER Organisation Chart



2.1 ROLES AND RESPONSIBILITIES

Managing Director

- i. Approve CSER policy, causes that the company proposes to support, programs to be undertaken by the company, modalities of operation and the budget for the activities.
- ii. To ensure that the report in Annual Report has details about the policy developed and implemented by the company on corporate social responsibility initiatives taken.
- iii. Dedicate adequate staff and resources to carrying out and reporting for CSER initiatives.
- iv. Involve all employees in the CSER program, empower them to take action, and ensure they can fulfil their responsibilities through awareness-raising, information and training.

CSER Committee

The CSER Committee will be specifically responsible for the following:

- i. Formulate and recommend to the Management, the Corporate, Social and Environment Responsibility Policy.
- ii. Monitor the Corporate Social Responsibility Policy, Annual Action Plan and progress of the activities, Audit Findings undertaken on periodic basis.
- iii. Review and recommend to the Management the Sustainability Report for inclusion in the Annual Report.
- iv. Discuss matters related to CSER reporting, requirements and updates on Labour, Wages and Hours, Safety & Health, Management Systems, Environment and Business Practices.
- v. Take all necessary actions as may be necessary or desirable and also to settle any question or difficulty or doubts that may arise with regards to Corporate, Social and Environment Responsibility activities/Policy of the Company.
- vi. To work with the relevant company wide committees such as Safety and Health Committee, Emergency Response Committee, QEMS Committee and etc.

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3.0 AIMFLEX’s CSER FRAMEWORK

3.1 AIMFLEX’s CSER CODE OF CONDUCT



A. Labour	B. Safety & Health	E. Management Systems
<ul style="list-style-type: none"> 1. Freely chosen employment 2. Young workers 3. Working hours 4. Wages and benefits 5. Humane treatment 6. Non-discrimination 7. Freedom of association 	<ul style="list-style-type: none"> 1. Occupation Safety 2. Emergency Preparedness 3. Occupational Injury and Illness 4. Industrial Hygiene 5. Physically Demanding Work 6. Machine Safeguarding 7. Sanitation, Food, and accommodation 8. Safety & Health Communication 	<ul style="list-style-type: none"> 1. Company Commitment 2. Management Accountability and Responsibility 3. Legal and Customer Requirements 4. Risk Assessment and Risk Management 5. Improvement Objectives 6. Training 7. Communication 8. Worker Feedback, Participation and Grievance 9. Audits and Assessments 10. Corrective Action Process 11. Documentation and Records 12. Supplier Responsibility
C. Environment	D. Business Practices	
<ul style="list-style-type: none"> 1. Environmental Permits and Reporting 2. Pollution Prevention and Resource Reduction 3. Hazardous Substances 4. Solid Waste 5. Air Emission 6. Materials Restrictions 7. Energy Consumption 	<ul style="list-style-type: none"> 1. Business Integrity 2. No Improper Advantage 3. Disclosure of Information 4. Intellectual Property 5. Protection of Identity and Non-Retaliation 6. Responsible Sourcing of Minerals 7. Privacy 	

A. LABOUR**1. Freely Chosen Employment**

There shall be no forced, bonded, involuntary, exploitative prison labour, slavery, or trafficking of persons. There shall be no unreasonable restrictions on workers' freedom of movement in the facility and unreasonable restrictions on entering or exiting company-provided facilities.

As part of the hiring process, workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment prior to the worker departing from his or her country of origin. All work must be voluntary, and workers shall be free to leave work at any time or terminate their employment by giving reasonable notice to the company.

Employers and agents may not hold employee's identity or immigration documents, such as government-issued identification, passports, or work permits, unless such holdings are required by law. Workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

2. Young Workers

Child labour (any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country) is not to be used in any stage of manufacturing. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety of young workers, including night shifts and overtime.

Company shall ensure proper management of student workers through proper maintenance of student records and protection of student's rights in accordance with applicable law and regulations. Company shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns and apprentices shall be at least the same wage rate as other

entry-level workers performing equal or similar tasks.

3. Working Hours

Working hours for workers shall not exceed the maximum set by local law. Furthermore, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers shall be allowed at least one (1) day off every seven (7) days.

4. Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed.

5. Humane Treatment

There shall be no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers. Disciplinary policies and procedures shall be clearly defined and communicated to workers.

6. Non-Discrimination

Company should be committed to a workforce free of harassment and unlawful discrimination. Company shall not engage in discrimination based on race, colour, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training.

Workers shall be provided with reasonable accommodation for religious practices. In addition, workers or potential

workers should not be subjected to medical tests or physical exams that could be used in a discriminatory way.

7. Freedom of Association

Company shall respect the right of all workers to form and join trade unions of their own choosing and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.

B. SAFETY AND HEALTH

1. Occupational Safety

Worker potential for exposure to safety hazards (for example, chemical, electrical, fire, vehicles, and fall hazards) are to be identified and assessed and controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures and ongoing safety training. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment (PPE) and educational materials about the risks to them associated with these hazards.

Reasonable steps must also be taken to remove pregnant women or nursing mothers from working condition with high hazards, remove or reduce any workplace health and safety risks to pregnant women and nursing mothers including those associated with their work assignments, as well as include reasonable accommodations for nursing mothers.

2. Emergency Preparedness

Potential emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures. This includes emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, clear and unobstructed

egress, adequate exit facilities and recovery plans. Such plans and procedures shall focus on minimizing harm to life, environment, and property.

3. Occupational Injury and Illness

Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness, including provisions to:

- a) Encourage worker reporting.
- b) Classify and record injury and illness cases.
- c) Provide necessary medical treatment.
- d) Investigate cases and implement corrective actions to eliminate their causes.
- e) Facilitate return of workers to work.

4. Industrial Hygiene

Worker exposure to chemical, biological, and physical agents is to be identified, evaluated, and controlled according to the hierarchy of controls. Potential hazards are to be eliminated or controlled through proper design, engineering, and administrative controls. When hazards cannot be adequately controlled by such means, workers are to be provided with personal protective equipment (PPE). Protective programs shall include educational materials about the risks associated with these hazards.

5. Physically Demanding Work

Worker that exposes to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks is to be identified, evaluated, and controlled.

6. Machine Safeguarding

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

7. Sanitation, Food and Accommodation

Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories are to be

maintained clean and safe. Also, provided with appropriate emergency egress, hot water for bathing and showering, and adequate lighting, heat and ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

8. Safety and Health Communication

Company shall provide workers with appropriate workplace health and safety information and training in a language the worker can understand for all identified workplace hazards that workers are exposed to (but not limited to mechanical, electrical, chemical, fire, and physical hazards). Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers. Training is provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise safety concerns.

C. ENVIRONMENT

1. Environmental Permit and Reporting

All required environmental permits (for example, discharge monitoring), approvals and registrations are to be obtained, maintained, and kept current and their operational and reporting requirements are to be followed.

2. Pollution Prevention and Resources Reduction

Emissions of pollutants are to be eliminated or minimized by practices such as adding pollution control equipment, modifying production, maintenance, and facility processes. The use of natural resources, including water, fossil fuels, minerals and virgin forest products is to be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling.

3. Hazardous Substances

Chemical and other materials posing a hazard to humans or to the environment are to be identified, labelled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.

4. Solid Waste

Company shall implement a systematic approach to identify, manage, reduce, and responsibly dispose or recycle solid waste (non-hazardous).

5. Air Emission

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, routinely monitored, controlled, and treated as required prior to discharge. Company shall conduct routine monitoring of the performance of its air emission control systems.

6. Material Restrictions

Company are to adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances in products and manufacturing, including labelling for recycling and disposal.

7. Energy Consumption

Company are to look for cost-effective methods to improve energy efficiency and to minimize their energy consumption.

D. BUSINESS PRACTICES

1. Business Integrity

The highest standards of integrity are to be upheld in all business interactions. Company shall have a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement.

2. No Improper Advantage

Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given, or accepted. This prohibition covers promising, offering, authorizing, giving, or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

3. Disclosure of Information

All business dealings should be transparently performed and accurately reflected on company's business books and records. Information regarding participant labour, health and safety, environmental practices, business activities, structure, financial situation, and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain is unacceptable.

4. Intellectual Property

Intellectual property rights are to be respected, transfer of technology and know-how is to be done in a manner that protects intellectual property rights and customer and supplier information is to be safeguarded.

5. Protection of Identification and Non-Relations

Programs that ensure the confidentiality, anonymity and protection of supplier and employee whistle-blowers are to be maintained unless prohibited by law. Company should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

6. Responsible Sourcing of Minerals

Company shall have a policy to reasonably assure that the tantalum, tin, tungsten, and gold in the products they manufacture does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in The Democratic Republic of Congo or an adjoining country. Company shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available to customers upon customer request.

7. Privacy

Company shall protect the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers, and employees. Company shall comply with privacy and information security laws and regulatory

requirements when personal information is collected, stored, processed, transmitted, and shared.

E. MANAGEMENT SYSTEM

1. Company Commitment

Company shall have Corporate social and environmental responsibility policy statements affirming auditee's commitment to compliance and continual improvement, endorsed by executive management, and posted in the facility in the language of the workers or in a language the workers can understand.

2. Management Accountability and Responsibility

Company shall clearly identify senior executive and company representative[s] responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management system on a regular basis.

3. Legal and Customer Requirements

Company shall have a process to identify, monitor and understand applicable laws, regulations, and customer requirements, including the requirements AIMFLEX's Code of Conduct.

4. Risk Assessment and Risk Management

Company shall have a process to identify the legal compliance, environmental, health and safety and labour practice and ethics risks. Also, associated with Auditee's operations in determining of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

5. Improvement Objectives

Company shall have written performance objectives, targets and implementation plans to improve the Auditee's social performance, including a periodic assessment of company's performance in achieving those objectives.

6. Training

Programs for training managers and workers to implement company's policies, procedures, and improvement objectives and to meet applicable legal and regulatory requirements shall have by company.

7. Communication

Company shall have process for communicating clear and accurate information about auditee's policies, practices, expectations and performance to workers, Suppliers, and customers.

8. Worker Feedback, Participation and Grievance

Ongoing processes, including an effective grievance mechanism, to assess employees' understanding and obtain feedback on violations against practices and conditions covered by this Code of Conduct and to foster continuous improvement.

9. Audit and Assessments

Company shall have periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code of Conduct and customer contractual requirements related to social and environmental responsibility.

10. Corrective Action Process

Company shall have process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

11. Documentation and Records

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

12. Supplier Responsibility

Company shall have a process to communicate AIMFLEX's Code of Conduct requirements to suppliers and to monitor supplier compliance to the Code.