

1. POLICY STATEMENTS

AIMFLEX Berhad and its subsidiaries (collectively the “Group”) endeavours to provide a conducive working environment that is characterized by equality and mutual respect. The company will not tolerate the use of child or forced labour, nor exploitation of children in any of the operations and facilities in Malaysia or overseas.

2. LEGAL COMPLIANCE

In Peninsular Malaysia, under Children and Young Person (Employment) Act 1966 (Act 350), "Child" is a person who has not completed this 15th year of age.

In the conduct of its business, the Group:

- Will not employ children that falls into the definition as stipulated by the Employment Act, notwithstanding any national law or local regulation;
- Will comply with all other applicable child labour laws, including those related to wages, hours worked, overtime and working conditions;
- Is against all forms of exploitation of children. The company does not provide employment to children before they have reached the legal age to have completed their compulsory education, as defined by the relevant authorities;
- Expects its business partners and associates to have and uphold similar standards and abide by country-governing laws in countries wherein they operate. Should violation of these principles become known to the Group and not be remediated, we will take serious action, including discontinuation of the business relationship;

3. REMEDIATION PROCEDURES

In a case if child labour is found directly or indirectly working for the Group, it is vital to act quickly and compliance with the remediation procedures:

STEP ONE:

If you suspect that workers in a factory may be underage, do not approach the workers directly in the first instance, but check their ID as part of a routine document check process without raising the alarm.

STEP TWO:

After the verification, if confirm the child is underage or if ID checks are inconclusive, you should take the following action:

- Remove the child from all work immediately. Preventing the continuation of work and report to your immediate superior.
- Ensure the child is in a safe place.
- Obtain contact details of child and parents/guardian, and wherever possible, the home address.
- Talk to the child to ensure they understand what is happening and why. Listen to them to understand their needs. Explain the possible remediation options and other measures to be put in place. Ensure they agree to participate in the remediation procedures.
- Inform the Human Resource Department.

STEP THREE:

Human Resource Department shall take the following actions:

- Arrange payment of a stipend to the child both during the exploratory phase and throughout the whole remediation procedures. The stipend should be equivalent to the amount the child was earning whilst employed, or at least local minimum wage standard, whichever is higher. The stipend should be paid in monthly, rather than as a lump sum.
- Contact the parents/guardians to ensure that they understand and agree with what is happening and to explain the ongoing provision of stipend, food, and accommodation. If necessary, identify the education programme and educate the parents about the benefits of schooling/vocational training.
- With younger children, the strong involvement of parents/guardians is particularly important. In cases where parents have sent their child to work, this process of persuasion may be difficult. If necessary, advise the parents to identify other family members to replace for the child to work.
- Review all the personnel records at the particular workplace to identify whether there are any other child workers.

It is the responsibility of local management and Human Resource Department of the Group to implement and ensure compliance with this policy at all the operations and facilities.

4. DUTY TO INFORM & NOTIFY THE MANAGEMENT

All employees in the Group have a continuous responsibility for identifying and reporting the child labour situation to the Management. If an employee is aware of the existence of child labour situation but chooses to remain silent, this is consider as committing a misconduct. In such a situation, the Group reserved the right to take disciplinary action against the Employee.

THIS POLICY HAS BEEN UPDATED AND ADOPTED BY THE BOARD ON 27th May 2022