



Labour Rights Policy

S P SETIA'S LABOUR RIGHTS POLICY

1. OBJECTIVES

- 1.1. This policy defines and explains the Company's commitment with regard to compliance to labour rights and ensure its human capital needs are met while promoting consistency, transparency, and adherence to prevailing laws and legislations applicable to the country accordingly.
- 1.2. This policy also promotes fair & equal opportunities and prevention of any form of forced labour.

2. ABBREVIATION/ DEFINITION

- 2.1 The Company refers to S P Setia Group of Companies in which the Group has business activities.
- 2.2 Foreign employee means an employee who is not a citizen of Malaysia.
- 2.3 Employer means any person who has entered a contract of service to employ any other person as an employee.
- 2.4 Contractor means any person who contracts with the Company to conduct the whole or any part of any work undertaken by the Company during or for the purposes of the Company's trade or business.
- 2.5 Business Associates means any person or organization that provides services to S P Setia Group of Companies.
- 2.6 Forced labour is defined as any work or service performed involuntarily under threat of penalty, punishment, or retaliation in accordance with the ILO Convention No. 29.
- 2.7 Hospitality includes the following advantages that may be given to any person or organisation including their family members and business partners:
- 2.8 Social compliance refers to how a business protects the health, rights and safety of their employees, supply and distribution chain. It also encompasses environmental issues and perspective on social responsibility.

3. SCOPE OF THE POLICY

- 3.1 This policy is applicable to the Company's Directors and employees and its Business Associates.

4. WHO IS RESPONSIBLE FOR THE POLICY?

- 4.1 **General Manager/Head of Business & Support Unit**

- 4.1.1 To follow, comply and adhere to the Labour Rights Policy as always set by the Company.
- 4.1.2 To ensure only legal foreign workers are allowed to work with the Company.
- 4.1.3 To ensure all contract or agreements are in accordance with the Malaysian regulations.

4.2 Group Human Resource

- 4.2.1 To facilitate the recruitment process including foreign workers.
- 4.2.2 To ensure all the recruitment process are in accordance with the guidelines by the relevant authorities.
- 4.2.3 To conduct a periodic audit on Business Unit for recruitment of foreign workers.
- 4.2.4 To conduct a yearly assessment on the compliance and understanding to the policy.
- 4.2.5 To impose disciplinary action for any non-compliance in relations to this policy.

4.3 Group Quality Management

- 4.3.1 To jointly conduct a yearly assessment with Group Human Resource on the compliance and understanding the policy particularly in Safety and Health.

4.4 Business Associates

- 4.3.1 To comply with laws, rules, and regulations applicable to their business operations.
- 4.3.2 To comply with their contractual obligations and perform their activities balancing economic growth, social development, and environmental protection.
- 4.3.3 To avoid any conflict of interest; not to offer, pay directly or indirectly any bribe, or engage in any corrupt practice.
- 4.3.4 To comply with antitrust and competition laws; promote a safe, secure, and healthy workplace.
- 4.3.5 To apply continuous efforts in improving safety, security, health & environmental performance.
- 4.3.6 To foster appropriate operating practices and provide the necessary training as required.
- 4.3.7 To provide a positive, productive, and supportive work environment.

5. POLICY STATEMENT

5.1 GENERAL STATEMENT

- 5.1.1 The protection of labour rights is a top priority for the Company and further codified and enforced through the Company's Code of Conduct and Business Ethics.
- 5.1.2 The Company may provide its employees and Business Associates with training on its Code of Conduct & Business Ethics and social compliance standards including Labour Rights policy to enable them to recognize and report violations.

5.2 FORCED AND CHILD LABOUR

- 5.2.1 The Company is against all forms of forced labour and child labour, including modern slavery, bonded labour, and human trafficking. The Company will align with ILO conventions and the Children & Young Persons (Employment) Act 1966 of Malaysia.
- 5.2.2 Should there be any unintentional hiring of an employee below the age of fifteen (15) takes place, the child or young person must cease work immediately.
- 5.2.3 The Company shall monitor the compliance to the minimum age of employment as stipulated in this policy.
- 5.2.4 The Company shall not tolerate activities:
 - a. Usage of forced labour in the performance of any work or engaging in any form of trafficking in persons in the performance of any work.
 - b. Using misleading or fraudulent practices during the recruitment of candidates/employees or offering of employment.
 - c. Using recruiters that do not comply with local labour laws of the country in which the recruitment takes place.
 - d. Failure to provide a valid employment contract or recruitment agreement in writing and in a language the employee understands.
- 5.2.5 Prohibition and Remedy of forced labour situations:
 - i. Employees shall have the right to leave the workplace premises after completing the standard workday and be free to terminate their employment if they give reasonable notice to the Company.
 - ii. The Company provides its employees with training on its code of conduct and social compliance standards to enable employees to recognize and report violations.

- iii. Should any person(s) be found to be in a forced labour situation, be it intentionally or unintentionally, the Company shall take immediate steps to remedy the issue immediately.
- iv. Should any violations of forced labour policy take place, The Company shall take steps to prevent a repetition of any violations. This may include:
 - a. Institute strong disciplinary actions and/or legal actions on anyone found to be profiteering for taking advantage by employing or introducing persons that may eventually be put under forced labour situations.
 - b. Ensuring all persons involved in the recruitment process are trained on social compliance standards.
 - c. Build an additional mechanism to identify potential forced labour practices and prevent them from taking place.
 - d. Ensure the labour agents are put through rigorous screening mechanisms to ensure they recruit workers ethically.

5.2.6 The Company expects all Business Associates with whom we do business with, to uphold the same standards as indicated from item 2.1 to 2.5. Should a pattern of violation of these becomes known to the Company and is not rectified within a reasonable time, the Company shall discontinue the business relationship.

5.3 DIVERSITY AND INCLUSION

- 5.3.1 The Company allows equal access, rewards, and resources to all their employees regardless of race, gender, or religion. Further to eliminate any form of workplace discrimination, the Company supports fair representation in the workplace in the aspects of, but not limited to, gender, age, religion, disability, and nationality.
- 5.3.2 Any type of verbal or physical harassment of behaviour that disrupts or interferes with another's work environment, or which creates an intimidating, offensive or hostile work environment will not be tolerated. This includes employees, interns, and any other individual engaged in business with the Company.
- 5.3.3 Harassment includes unwelcome conduct that is based on race, colour, religion, sex, sexual orientation, gender identity or expression, pregnancy, age, national origin, disability status, genetic information, or any other characteristics protected by law. Harassment becomes unlawful where:

- a. Enduring the offensive conduct becomes a condition of continued employment, or
- b. The conduct is severe or pervasive enough to create a work environment that a reasonable person would consider intimidating, hostile, or abusive.

5.3.4 Employees are also strongly encouraged to inform their managers or the Management of the occurrence of any form of harassment in the workplace through Grievance Handling procedure. All reports and/or complaints will be treated as private and confidential.

5.4 RIGHTS TO FREEDOM OF ASSOCIATION

5.4.1 The Company recognizes and respects workers.

5.4.2 The Company will act in compliance with local labour laws pertaining to freedom of association.

5.5 SAFETY AND HEALTH

5.5.1 The Company shall ensure and provide adequate control of the health and safety of employees arising out of or from any work-related activities.

5.5.2 The Company will provide safe working conditions and to nurture a healthy working environment by promoting wellness in the workplace. The Company believes that the physical, mental, and emotional well-being of employees are essential to an organization.

5.5.3 The Company will ensure compliance to the Occupational Safety and Health Act 1994.

5.6 FAIR WAGES AND BENEFITS

5.6.1 The Company shall pay remuneration in line with the type of work done and would at all times further comply with the Minimum Wages Act.

5.6.2 The Company may provide employees' benefits such as sufficient rest days, medical, insurance coverage to protect workers' well-being and would comply with the Employment Act 1955.

5.7 UPSKILLING AND EDUCATION

5.7.1 The Company may provide basic work training in relations to skills and competency for the upskilling and continuous training & development of the employees.

5.8 CONTROL MECHANISM AND POINT OF CONTACT IN THE CASE OF VIOLATION

- 5.8.1 Violations of this policy, whether actual or potential, shall be reported directly to Group Human Resources Division of S P Setia Berhad or via established S P Setia Group of Companies channels such as Grievance Handling Procedure or Whistle Blowing policy.
- 5.8.2 Group Human Resources Division of S P Setia Berhad in collaboration with Group Quality Management (on Safety and Health) may conduct a yearly assessment on the compliance and understanding to this policy.
- 5.8.3 Group Human Resources Division shall determine a suitable assessment method including engagement of third party for assessment purposes.

5.9 POLICY REVIEW AND REVISION

- 5.9.1 The Company reserves the right to amend this policy from time to time and shall notify all relevant stakeholders when such amendment has been made.
- 5.9.2 Should there be a translation of this policy into other languages, the English version of this policy shall be authoritative in the event of any dispute or confusion.

6. REFERENCE

- 6.1 Employment Act 1955
- 6.2 Occupational Safety and Health Act 1994
- 6.3 Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 [Act 446] or the National Wages Consultative council Act 2011 [Act 732]
- 6.4 Trade Union Act
- 6.5 Children & Young Persons (Employment) Act 1966 of Malaysia.
- 6.6 Minimum Wage Act
- 6.7 ILO Convention No 29