



SUSTAINABILITY POLICY

1.0 Introduction

As an integrated agro-based business group, QL Resources Berhad (“**QL**” or the “**Company**”) and its subsidiaries (the “**Group**”) acknowledge the immense obligation to operate in a manner that enables environmental preservation and sustained value creation which benefits both the Company’s business goals and local communities. This is the very quintessence of QL, or Quan Li, which means “benefit for all”.

As such, we are committed to integrating the concept of sustainability comprising three key aspects of sustainability management, namely Environmental, Social and Governance (“**ESG**”), into QL’s business strategy planning and work practices across our operations.

It is the view of the Board of Directors (the “**Board**”) and Senior Management that sustainability is of the utmost importance in ensuring the continued relevance, competitiveness and resilience of the Group’s business model going forward, given the rapidly evolving operating environment.

2.0 Scope

The Policy applies to the Group’s directors, employees and all business entities that fall under our management purview or equitation control. The Policy also extends, where applicable, to the Group’s stakeholders including suppliers and service providers, government regulators, lenders, investors, joint venture partners, interest groups and consumers.

3.0 Objectives

This Policy sets out the following objectives:

- a. To unequivocally convey QL’s commitment towards upholding sustainability and integrating ESG as an intrinsic part of our business.
- b. To create organisational awareness and buy-in for sustainability among employees and eventually among customers, suppliers and other stakeholders.
- c. To develop an organisational culture centred on good ESG practices including ethical and corruption-free behaviour, equal opportunity and diversity, safeguarding the environment, merit, performance excellence and innovative thinking.
- d. To serve as a precursor for the development and implementation of sustainability best practices, protocols, principles and responsibilities into all facets of QL’s operations. These include robust governance and oversight, internal procedures and controls, identifying and prioritising material ESG topics, developing appropriate Key Performance Indicators (KPIs) and targets and appointing sustainability champions across the Group.
- e. Progressively transition from a compliance-based organisation to one that embraces and leverages ESG to create/ unlock value.
- f. To support the realisation of the Sustainable Development Agenda 2030 established by the United Nations (“**UN**”) through QL’s adopted United Nations Sustainable Development Goals (“**UN SDGs**”) as listed below:



4.0 Approach

QL focuses on creating value for all stakeholders, from investors, employees, suppliers, customers and consumers to communities. Extending this philosophy, we embrace an integrated approach to sustainability, encompassing the following ESG areas:

a. Environmental Responsibility

We are committed to minimising our environmental footprint and actively contributing to the conservation and protection of our natural resources. Our operations prioritise practices that reduce waste, conserve energy, promote renewable resources, and mitigate the impacts of climate change.

b. Social Responsibility

We recognise our role as a responsible corporate citizen, and we are dedicated to improving the well-being of our employees, communities and society at large. We foster a culture of diversity, equity and inclusion within our organisation and support initiatives that enhance social well-being.

c. Governance Responsibility

We are committed to upholding the principles of integrity, transparency and accountability in the conduct of our businesses. These principles guide us in undertaking our mission of providing nourishing products from agro resources, constantly refining our processes to increase efficiency, and benchmarking our performance via regular analysis.

i. Corporate Governance

Ensure ethical business practices, corporate integrity, ethical behaviour and good governance policies and structure.

ii. Anti-Corruption

Ensure all areas of operation are free from corruption that could lead to legal liabilities and reputational damage.

iii. Risk Management

Identify, assess and mitigate potential challenges that may impact our operational and business continuity.

iv. Innovation and Technology

Stay competitive, streamline operations and adapt to rapidly evolving market dynamics through strong adoption and focus on new industry technologies and digital trends, data privacy and security as well as research and development.



5.0 Guidelines

The Policy is guided by relevant industry and regulatory laws, reporting standards and codes, which include among others:

- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Companies Act 2016
- Malaysian Code of Corporate Governance 2021
- Malaysian Employment Act 1955
- Personal Data Protection Act 2010
- Occupational Health and Safety Act 1994
- Environmental Quality Act 1974

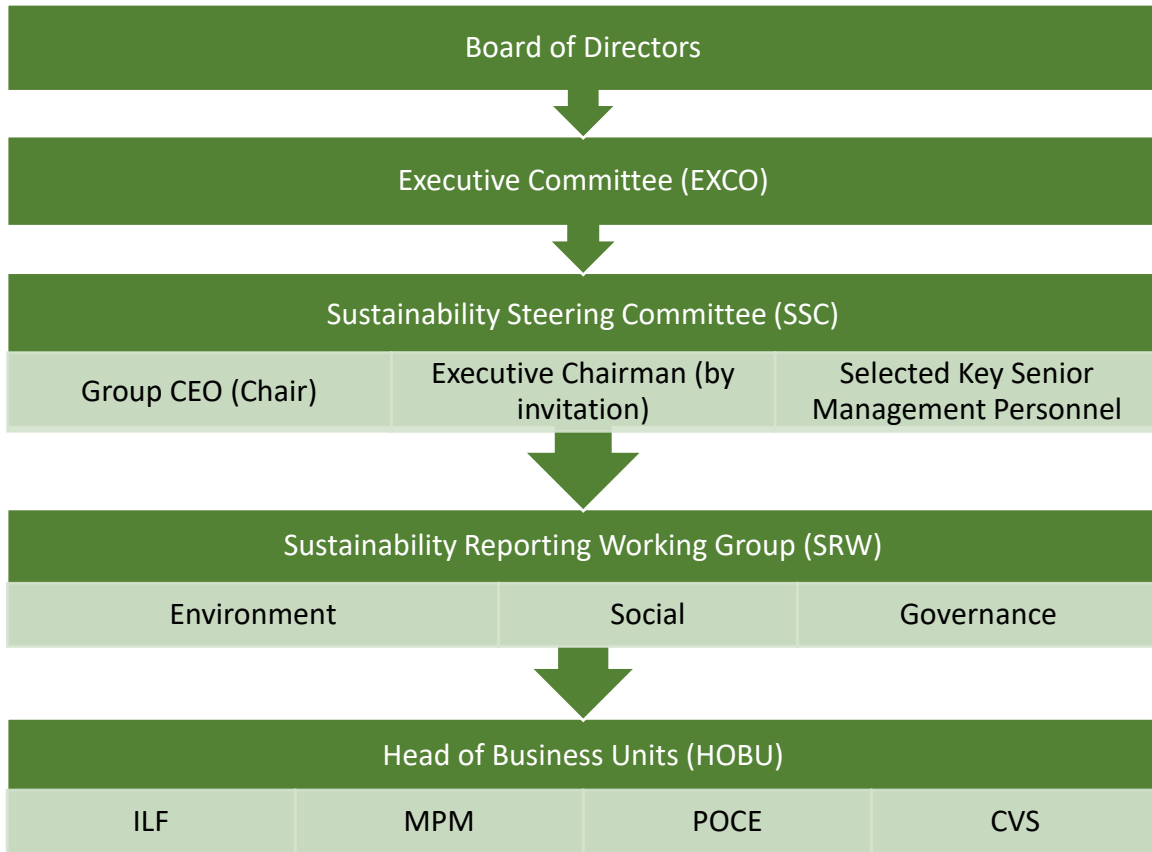
6.0 Policies and Standards

We are guided by a set of sustainability policies and standards that define how we aim to operate in socially and environmentally responsible ways. The list of policies is shown below:

- Occupational Safety and Health Policy
- Environmental Policy
- Human Rights & Labour Standards Policy
- Board and Senior Management Diversity Policy
- Anti-Bribery Policy
- Remuneration Policy for Directors and Senior Management
- Corporate Disclosure Policy
- Policy On Non-Audit Services Provided by External Auditors
- Whistleblower Policy
- Directors' Fit and Proper Policy
- Board Charter
- Code of Business Ethics and Conduct
- Code of Business Ethics (Suppliers and Business Associates)
- Data Security and Privacy Policy

7.0 Roles and Responsibilities

QL has established a governance structure to ensure that our sustainability approach is underpinned by strategic risk and opportunity management, and guided by principles and industry best practices.



7.1. Board of Directors

QL's Board of Directors is responsible for:

- i. Overseeing all sustainability matters of the Group business encompassing but not limited to climate change, health and safety, anti-corruption and risk management;
- ii. Setting sustainability direction and framework for the Group and ensure our sustainability strategies, priorities, targets and performance are communicated to both internal and external stakeholders;
- iii. Reviewing the Group's sustainability performance in addressing material sustainability risks and opportunities;
- iv. Approving the Group's ESG KPIs and targets setting, and sustainability policies.

7.2. Executive Committee (EXCO)

EXCO is responsible for:

- i. Reviewing the Group's sustainability performance at the business pillar level in addressing material sustainability risks and opportunities;
- ii. Reviewing and recommending the Group's sustainability policies, and executing the policies upon approval by the Board;
- iii. Recommending ESG KPIs and targets for review by Remuneration Committee and approval by the Board;



- iv. Ensuring the execution of the strategies and directions set forth by the Board;
- v. Ensuring that the Group complies with relevant laws, regulations and directives.

7.3. Sustainability Steering Committee (SSC)

SSC is responsible for:

- i. Supporting EXCO in steering the Group's sustainability efforts and approving sustainability roadmap;
- ii. Guiding and monitoring QL's sustainability performance across business units with the assistance from SRW;
- iii. Integrating sustainability principles into QL's risk management and corporate strategies;
- iv. Overseeing management of material sustainability matters as identified by the organization;
- v. Monitoring QL's sustainability performance to facilitate reporting;
- vi. Allocating resources to support sustainability programs and projects.

7.4. Sustainability Reporting Working Group (SRW)

SRW is responsible for:

- i. Reporting sustainability matters to SSC;
- ii. Performing materiality assessments, which involve identifying and assessing sustainability matters relevant to QL's businesses;
- iii. Developing Group sustainability policies, procedures, guidelines, data definitions and initiatives;
- iv. Guiding and monitoring QL's sustainability performance across business units;
- v. Providing overarching guidance on ESG matters across business units;
- vi. Tracking ESG KPIs and targets;
- vii. Developing, monitoring and evaluating the effectiveness of sustainability reporting and recommending improvements;
- viii. Benchmarking the organization's sustainability performance against industry peers and leaders.

7.5. Head of Business Units (HOBU)

HOBU is responsible for:

- i. Implementing sustainability initiatives within their respective businesses;
- ii. Collecting and reporting sustainability data and is accountable for ensuring data integrity;
- iii. Engaging with local stakeholders to address sustainability matters and build positive relationships within the community;



- iv. Ensuring that their business units comply with all relevant regulatory and reporting requirements related to sustainability.

8.0 Key ESG Areas

8.1. Environmental

Leaving a reduced ecological footprint is a responsibility that QL takes seriously as part of our sustainability journey. The Group integrates mindful business strategies and practices aimed at protecting the environment, including the following key areas:

- i. **Climate Change**

Invest in renewable energy technologies and solutions to manage greenhouse gas emissions at all levels, among other green initiatives.

- ii. **Pollution and Resources**

Avoid or manage of effluents, sewage and other waste products, as well as ensure sufficient and cost competitive supply of material needed for the business operations.

- iii. **Biodiversity**

Contribute to ecological balance and sustainability of surrounding flora and fauna, affecting supply chains and environmental responsibility.

- iv. **Water Security**

Ensure a stable and sustainable water supply, which is crucial for production by managing water consumption efficiently and safeguarding water resources.

- v. **Supply Chain (Environment)**

Focus on the eco-impact of supply chain activities, emphasising environmental stewardship in the supply chain, as well as sustainable agriculture practices such as safeguarding against disease outbreaks and protecting the integrity of our agricultural and biological products and assets.

8.2. Social

Practising a fair, safe, and inclusive work culture goes a long way towards enhancing positive social values within an organisation. QL is firmly dedicated to promoting talent development opportunities that unlock employees' full potential, along with making meaningful contributions that elevate the quality of life of the communities in which QL operates.

- i. **Community Contributions**

Contribute to the socioeconomic development of local communities through infrastructure development, financial assistance, promoting education, improving wellbeing, etc.

- ii. **Customer Responsibility**

Ensuring the quality, nutrition and safety of products and their contents effectively meet consumer demands and regulatory requirements in order to assist consumers in making informed decisions and retain consumer trust.



iii. Occupational Health & Safety

Provision of secure working conditions and systems to safeguard human health and wellbeing in all operations.

iv. Labour Standards

Ensuring fair employment and treatment of employees and third-party workers in accordance with all relevant labour standards.

v. Talent Management

Management of all aspects of the talent cycle from recruitment, retention, rewarding, employee satisfaction, succession planning and the development of competencies through training, as well as non-discrimination, equal opportunity, diversity and inclusivity practices.

vi. Supply Chain (Social)

Address human and social impacts in the supply chain, covering labour practices, human rights, safety and other related aspects for ethical and socially responsible business practices.

8.3. Governance

Upholding integrity, transparency and accountability in the conduct of our businesses is vital towards realising the Group's ESG objectives. These principles guide us in our mission to provide nourishing products from agro resources, constantly refine our processes to increase efficiency, and benchmark our performance via regular analysis. Having solid governance practices in place in turn boosts the realization of our economic responsibility to the company, namely ensuring continuously successful financial performance and business growth.

i. Corporate Governance

Ensure ethical business practices, corporate integrity, ethical behaviour and good governance policies and structure.

ii. Anti-Corruption

Ensure all areas of operation are free from corruption that could lead to legal liabilities and reputational damage.

iii. Risk Management

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9.0 Linking ESG KPIs and Targets to Board and Senior Management Remuneration

QL aims to adopt the recommended practice by Malaysian Code on Corporate Governance of linking the remuneration of the Board and Senior Management to the achievement of ESG KPIs and targets. This is in line with providing strategic, high-level ownership pertaining to



sustainability matters and to create stronger impetus in driving the climate change and other ESG agenda Group wide.

10.0 Policy Review and Revision

This policy has been endorsed by the Board on 29 February 2024. It will undergo periodic reviews and revisions as part of our commitment to ensuring relevance, adequacy, and effectiveness by the Sustainability Working Group. The updated policy will then be communicated to all relevant stakeholders to ensure its effective implementation.