



ENVIRONMENTAL POLICY

1.0 Introduction

This Environmental Policy serves as a set of guidelines for QL Resources Berhad (“QL” or the “Company”) and its subsidiaries (the “Group”) in creating a balance between business pursuits and preservation of the environment with a focus on transparency, collaboration and continuous improvement.

The Group is committed to reducing our impact on the natural environment and taking action on climate change. We believe growth that takes into account our environmental impacts is the only way to deliver sustainable returns. This policy serves as a testament to our dedication, outlining the principles that underscore our sustainable practices, resource conservation and proactive efforts to address environmental challenges.

We are committed to making continuous improvements in the management of our environmental impacts and work in partnership with others to promote environmental stewardship across our value chain, increase understanding of environmental issues among our stakeholders, and disseminate good practice with other companies. We comply with applicable environmental legislation and regulation.

2.0 Scope

This policy pertains to every aspect of our business activities, from manufacturing processes, supply chain management, and product development to biodiversity conservation, emissions reduction, pollution prevention, and sustainable resource management. It also extends to our interactions with employees, customers, suppliers, contractors or service providers, regulatory authorities, and other business associates in which we operate.

No.	Term	Definition
i.	Employee	Individuals engaged in work for QL or its subsidiaries, encompassing part-time, full-time, contract, permanent, or probationary positions
ii.	Supplier, contractor or service provider	Individuals representing QL or performing tasks within or outside the premises
iii.	Business associates	External individuals, groups, or organisations with a vested interest in QL's operations, including customers, investors, regulatory bodies, and the local community

3.0 Objectives

This Policy commits us to:

- Embed environmental risks into our wider risk identification and mitigation processes
- Refresh our materiality assessment periodically, which includes considering current and future environmental issues
- Assess our compliance with legislation and investigate all environmental incidents in order to prevent recurrences

- Set targets for continuous improvement and put in place environmental safety and sustainability programmes

4.0 Biodiversity

4.1. Fish Bombing/ Blast Fishing

We are steadfast in our adherence to local fisheries regulations and vehemently oppose any engagement in fish bombing or blast fishing within our supply chain. In the event that such practices are identified within the supply chain, we are resolute in our commitment to promptly report such incidents to the relevant authorities. Furthermore, we pledge to replace suppliers involved in such practices.

4.2. Mangrove Rehabilitation

We commit to engage in long term mangrove rehabilitation projects with government bodies, universities, communities and NGOs to ensure sustainability of the rehabilitation.

4.3. Deforestation/ Land clearing

We are committed to NDPE (No Deforestation, No Peat, No Exploitation) principles in all new developments. This includes prohibiting deforestation and land clearing in High Conservation Value (HCV) areas, as well as avoiding development on peatlands. We also uphold the rights and livelihoods of local communities and workers throughout all project activities.

4.4. Shark Trading/ Consumption

We are dedicated to refraining from the purchase and sale of shark products. In instances where sharks are unintentionally caught during fishing, we pledge to undertake the necessary actions as outlined in the respective fisheries act. Additionally, we are committed to abstaining from serving or consuming shark body parts during business gatherings.

5.0 Climate Change

We acknowledge the comprehensive effects and risks that climate change brings, which could potentially affect our business operations and the operating environment in our vicinity. Accordingly, we adopt a proactive approach that involves formulating and applying measures to reduce or avoid climate change risks and impacts.

QL's dedication to combating climate change impacts is underpinned by the principles of adaption and mitigation. We also remain committed to adopting the Task Force on Climate-Related Financial Disclosures ("TCFD") framework in tackling climate change.

In pursuit of this high-priority objective, our focus areas include the following:

- Incorporating climate-related risks and opportunities into our business strategies and decision-making procedures
- Integrating a climate risk category into the Group's Enterprise Risk Management Framework
- Enhancing the energy efficiency of our business processes
- Outfitting our operational facilities with more energy-efficient instrumentation, machinery, and equipment
- Exploring the utilisation of renewable energy technologies (e.g. solar, biomass, biogas) and other environmentally-friendly alternatives as part of a gradual transition from a



fossil fuel-dependent economy to a high-value green economy, in line with Malaysia's National Energy Transition Roadmap

- Monitoring, tracking and reporting our Greenhouse Gas ("GHG") emissions, as well as our targets and performance
- Setting GHG emission reduction goals with the long-term objective of achieving net-zero emissions in line with Malaysia's target of becoming a fully carbon neutral nation by the year 2050
- Collaborating with stakeholders to increase awareness and align with the Group's climate commitment
- Raising awareness among employees and encouraging their participation in climate change-related training sessions so that the importance of this topic is deeply ingrained into the organisational culture

6.0 Pollution

Through meticulous monitoring, assessment, and enhancement of our environmental performance, we strive to reduce environmental pollution. We are dedicated to adhering to all pertinent regulatory and statutory requirements. We will continue to explore and embrace new technology to reduce pollution and waste.

7.0 Water Security

We operate in compliance with water-related legal requirements and regulations imposed by the authorities. In addition, we will regularly review and address water-related risks and opportunities in direct operations with the potential to impart a substantive financial or strategic impact on business. We are committed to safeguarding water resources and optimising water consumption at all our operation sites.

8.0 Waste Management

We commit not to emit, discharge or deposit or spill any environmentally hazardous substances, pollutants, oil, effluents or wastes into any soil, on surface of any land, into inland waters, or open water which exceeds the limitations set by respective environment regulations. We commit to track, review and improve our waste reduction effort through implementation of 4Rs (Reuse, Recycle, Reduce, and Recovery) principles within our operations.

9.0 Resource Management

We are dedicated to mitigating the exhaustion of vital resources and to delivering our business objectives while making a positive social impact on the lives of people in our community and reducing our environmental impact. We aim to reduce consumption of resources and energy through operational optimisation at all operation sites. We operate in compliance with water, energy and waste-related legal requirements and regulations imposed by the authorities.

In acquiring and managing our resources, we recognise and respect the rights and title to property and land of the individual, indigenous people and local communities in which we operate. All negotiations with regard to their property or land, including the use of and transfers of it, adhere to contract transparency and disclosure.



10.0 Policy Review and Revision

This policy is endorsed by the Board of Directors on 29 February 2024. It will undergo periodic reviews and revisions annually as part of our commitment to continuous improvement. The updated policy will be communicated to all relevant stakeholders to ensure its effective implementation by the Sustainability Working Group.