



IQ GROUP HOLDINGS BERHAD

(Company No. 636944-U)

(Incorporated in Malaysia under the Companies Act, 1965)

SUPPLY CHAIN SOCIAL AND ENVIRONMENTAL SUSTAINABILITY POLICY

1. Objective

This policy establishes IQ Group's commitment to integrating social and environmental responsibility into our supply chain management. It outlines our expectations for suppliers, partners, and vendors to uphold ethical, fair, and sustainable practices in line with our Environmental, Social, and Governance (ESG) objectives.

2. Scope

This policy applies to key supplier which engaged with IQ Group globally and covers procurement, sourcing and supply chain operations.

3. Policy Principles

3.1 Ethical Sourcing and Social Responsibility

Suppliers are required to:

- Prohibit all forms of child labor, forced labor, and modern slavery.
- Uphold fair employment practices, including non-discrimination, fair wages, and working hours in compliance with local labor laws.
- Ensure safe, healthy, and equitable working conditions.
- Respect workers' rights to freedom of association and collective bargaining.
- Foster a culture of dignity, diversity, inclusion, and mutual respect in the workplace.
- Maintain zero tolerance for bribery, corruption, harassment, or discrimination.

3.2 Environmental Sustainability

Suppliers must demonstrate environmental stewardship by:

- Minimizing greenhouse gas emissions and energy consumption.
- Reducing waste and adopting circular economy practices (reuse, recycling, and sustainable disposal).
- Using eco-friendly, non-toxic materials and packaging solutions.
- Complying with all relevant environmental laws and regulations.
- Aligning with IQ Group's carbon reduction and climate impact goals.

4. Supplier Assessment & Monitoring

4.1 Pre-Qualification & Selection

- Environmental and social criteria are embedded into the vendor selection process.
- Suppliers are evaluated on sustainability performance, certifications, and ESG risk exposure.

4.2 Ongoing Evaluation

- Key suppliers undergo annual Environmental Risk Assessments as part of our Supplier Audit Checklist.
- Performance metrics include CO₂ emissions, waste management practices, health and safety compliance, and adherence to labor rights standards.

5. Governance and Compliance

- IQ Group has established internal governance structures and defined roles to monitor compliance with this policy.
- Non-compliance may lead to remediation plans, suspension, or termination of business relationships.
- Our sustainability performance, including supplier metrics, is disclosed in line with the Sustainability Reporting Guide and global ESG standards.
- Local sourcing is prioritized to strengthen economic development, reduce emissions from transportation, and support community resilience.

6. Supplier Engagement and Capacity Building

- We foster long-term partnerships by collaborating with suppliers to improve ESG performance.
- Training, guidance, and resources are provided to help suppliers meet and exceed our sustainability standards.
- Feedback mechanisms and performance reviews are in place to encourage continuous improvement.

7. Policy Review and Continuous Improvement

- This policy is reviewed annually and updated as necessary to reflect evolving regulations, industry best practices, and IQ Group's sustainability goals.
- Continuous improvement and innovation are encouraged in our supply chain to drive ESG excellence.

By adopting and adhering to this policy, all suppliers and partners of IQ Group contribute to building a responsible, resilient, and sustainable global supply chain.