



**SOUTHERN ACIDS INDUSTRIES SDN BHD**  
199001015379 (207048-P)

## **LABOUR & HUMAN RIGHTS POLICY**

SOUTHERN ACIDS INDUSTRIES SDN BHD (“SAISB”) is committed to respecting and upholding the highest standards of labour practices and human rights throughout our operations. We believe that treating every individual with dignity, fairness, respect and equality is essential to building a safe, productive, ethical and sustainable workplace. This policy outlines our commitments, responsibilities, and performance expectations for all employees, contractors, agency workers, supplier and stakeholders working with or on behalf of SAISB.

### **SCOPE OF POLICY**

This policy applies to:

- All employees of SAISB, including permanent, temporary, contract, and migrant workers.
- All SAISB locations, facilities and departments.
- Workers supplied by contractors and manpower agencies.
- Vendors, service providers and third-party personnel.

### **LABOUR & HUMAN RIGHTS COMMITMENTS**

- **Non-Discrimination & Equal Opportunity**
  - SAISB ensures fair treatment and equal opportunity in recruitment, promotion, training and daily interactions, without discrimination based on nationality, race, gender, age, religion, disabilities, marital status or other protected characteristics. Harassment, unfair treatment and bias are not tolerated.

○ **Prevention & Eradication of Harassment and Violence**

- SAISB is committed to maintaining a workplace free from all forms of harassment and violence, including verbal, physical, sexual, psychological or any conduct that creates an intimidating or hostile environment.
- SAISB ensure:
  - Zero tolerance for harassment, bullying, threats, abuse or violence.
  - Confidential and accessible reporting channels.
  - Protection against retaliation for complainants.
  - Prompt and impartial investigations.
  - Disciplinary action for proven violations.

This applies to all work areas, including production floors, rest areas and company activities.

○ **Prohibition of Child Labour**

- SAISB complies fully with the Employment Act 1955 and Children & Young Persons (Employment) Act 1966. We do not employ individuals below the legal working age. Age verification is conducted for all new hires.

○ **Prevention of Forced, Bonded or Involuntary Labour**

- SAISB strictly prohibits forced labour, debt bondage, coercion and human trafficking.
- SAISB ensure:
  - Workers retain their own passports and personal documents.
  - No recruitment or placement fees are charged to workers.
  - Workers may resign voluntarily with appropriate notice.
  - Overtime is voluntary and law compliant.

○ **Fair Wages, Working Hours & Benefits**

- SAISB complies with Malaysian Labour Law on wages, overtime, leave and statutory benefits.

- We ensure:
  - No employees are paid below the legal minimum wage.
  - Accurate and timely monthly salary payment.
  - Overtime compliance with legal limits.
  - Clear and transparent payslips for all employees.
  
- **Employees Safety & Health**
  - SAISB committed to the safety and health with a clear written Safety & Health Policy.
  - We committed to:
    - Comply with all OSHA 1994 and its regulations.
    - Involve consultation and participation of all levels of employees.
    - Eliminate and reduce safety and health hazards and its risk.
    - Maintain a safe and healthy work environment.
    - Consistently prevent accidental injury and ill health.
  
- **Freedom of Association & Collective Bargaining**
  - SAISB respects the rights of employees to form or join unions and participate in collective bargaining, without retaliation, discrimination or interference. Engagement with representatives will be conducted transparently and in good faith.
  
- **Social Dialogue**
  - SAISB conducted a Social Impact Assessment (SIA) which included engagement sessions with employees.
  - SAISB encourages open social dialogue between management and employees, ensuring that employees have appropriate channels to communicate concerns, provide feedback and participate in discussions on workplace matters.
  
- **Career Management and Training**
  - SAISB strives to develop employee competencies and career progression through structured training programs, knowledge development initiatives, and opportunities for skills enhancement.

- **Diversity, Equity & Inclusion**

- SAISB embraces diversity and promotes equity and inclusion across all operations.
- SAISB pledge to:
  - Value differences in culture, nationality, gender, age, religion and abilities.
  - Promote inclusive leadership behaviours.
  - Remove discriminatory barriers in hiring and promotion.
  - Support vulnerable groups, including migrant workers.
  - Foster a respectful and inclusive work culture for all.

## **MEASURABLE OBJECTIVES AND TARGETS**

To ensure effective implementation of this policy, SAISB establishes the following five (5) measurable objectives and targets which will be monitored and reviewed periodically.

- **Training & Awareness**

To train and develop employee knowledge, skills and competencies.

- Achieve minimum 10 training hours per employee per year on average

- **Occupational Health & Safety**

To ensure a safe and healthy working environment, SAISB sets the following targets:

- Maintain severity rate below 100.
- Maintain number of workplace accidents at 4 cases or less per year.

- **Harassment and Discrimination**

- Maintain 0 confirmed cases of harassment, discrimination, or human rights violations.

- **Employee Retention and Working Condition**

- Maintain employee turnover rate below 15% annually.

- **Child Labour, Forced labour and Human Trafficking**

- Ensure 100% age verification during recruitment and maintain zero cases of employment below the legal working age.

## **GOVERNANCE & RESPONSIBILITIES**

### **General Manager (GM).**

- Has overall executive accountability for this Labour & Human Rights Policy across SAISB.
- Overseeing the implementation at the company level and ensures alignment with management direction.

### **Plant Manager.**

- Monitor the implementation and compliance at the plant level.

### **Operations Manager.**

- Ensures daily operational adherence to the policy within all production and support areas.

### **Sustainability Manager**

- Overseeing the implementation, monitoring, and continuous improvement of labour and human rights practices within the organization and its supply chain in alignment with the SAISB's sustainability commitments.

### **Human Resources Manager**

- Manages labour practices, documentation, grievance handling, policy communication, and statutory compliance.

### **All Department Heads**

- Communicate the policy and ensure compliance within their respective teams.
- As first contact points for grievances.

### **All employees and third-party workers**

- Required to follow the policy and report any violations.

## **REVIEW & CONTINUOUS IMPROVEMENT MECHANISM**

SAISB will continuously improve labour and human rights management through:

- Policy shall be reviewed every 3 years or earlier if required by regulatory.
- Internal audits and management reviews.
- Anonymous grievance reporting channels.
- Corrective Action and Preventive Action (CAPA).
- Ongoing training and awareness for all employees and contractors.

## **MONITORING MECHANISM**

To evaluate our labour and human rights performance, SAISB will track and report:

- Employee retention rate.
- Turnover rate (by department, category, and reason).
- Absenteeism trends.
- Number of grievances and resolution time.
- Audit results (internal & external).
- Training hours on labour rights, anti-harassment, safety, and ethical conduct.
- Compliance rate for working hours and wage accuracy.
- Safety performance (accidents, near-misses).

Findings are reviewed by management for improvement planning.

## **COMMUNICATION AND AWARENESS**

This policy will be communicated to all employees, contractors, and stakeholders through:

- Communicated via induction and briefing.
- Shared with contractors, suppliers and stakeholders.
- Notice boards.
- Training sessions
- Company communication channels (email, memos, meetings).

## COMPLIANCE COMMITMENT

SAISB adheres strictly to the Employment Act 1955, OSH Act 1994, Industrial Relations Act 1967, Children & Young Persons Act 1966, and all relevant Malaysian requirements.

SAISB also upholds the International Labour Organization (ILO) Core Convention and respects internationally recognised human rights principles.

## POLICY ENDORSEMENT

This Labour and Human Rights Policy are approved by SAISB Top Management and is applicable to all SAISB employees, contractors and business activities.

Approved by

A handwritten signature in black ink, appearing to read 'Khoo Chin Tee', is written over a horizontal line. The signature is fluid and cursive.

**Khoo Chin Tee**  
General Manager  
1<sup>st</sup> APR 2026