



LABOR AND HUMAN RIGHTS POLICY

1. Introduction & Commitment

At **Coffex Coffee (M) Sdn Bhd** (“Coffex Coffee”), we are proud of our position as a respected leader in Malaysia’s specialty coffee industry. As a company committed to ethical excellence, sustainability, and human dignity, we recognize that our success is deeply rooted in the well-being, fair treatment, and rights of all individuals connected to our operations—from our direct employees to our extended supply chain partners.

This **Labor and Human Rights Policy** outlines Coffex Coffee’s firm and uncompromising stance on labor practices and human rights, grounded in both Malaysian laws and specific **international frameworks**. This document serves as the governing policy for our internal workforce and as a reference for external stakeholders, including auditors, regulators, and customers

Objectives:

- To ensure all employees are treated fairly, respectfully, and equitably.
- To provide a safe, inclusive, and discrimination-free workplace.
- To comply with Malaysia labor laws and standards.
- To promote continuous employee development and engagement.
- To ensure transparency in recruitment, compensation, promotion, and grievance handling.

Targets:

| Area | Target |
|---------------------------|--|
| Fair Salary Compliance | 100% of employees receive a fair salary above minimum wage. |
| Grievance Resolution | Follow up and review 100% of HR and labour grievances within 14 working days until resolution. |
| Training & Development | 80% of employees receive at least one training and development opportunity per year. |
| Zero Tolerance Compliance | To follow up and take action on all reported and substantiated cases of harassment, bullying, or discrimination. |

These objectives and targets provide clear direction for the Company’s efforts to build a best-in-class workplace and align our employment practices with our values.

2. Scope

This policy applies to all employees of Coffex Coffee (M) Sdn Bhd; whether permanent, contract-based, trainees, interns, part-time, or outsourced personnel; and extends to our operational vendors, suppliers, and service providers throughout Malaysia and abroad. It reflects our internal standards and applies exclusively to Coffex Coffee.

3. Guiding Principles

Our commitment is rooted in compliance with:

- Employment Act 1955 (Amended 2022)
- Minimum Wages Order 2024 (Malaysia)
- Occupational Safety and Health Act 1994
- Children and Young Persons (Employment) Act 1966
- Industrial Relations Act 1967
- Anti-Trafficking in Persons and Anti-Smuggling of Migrants Act 2007
- Whistleblower Protection Act 2010

Coffex Coffee does not adopt a one-size-fits-all compliance model. All commitments and practices described herein are adapted specifically for our organization, culture, and operating environment in Malaysia.

The content of this policy is to be read together with the Employee Handbook, and in case of any uncertainty, the Employee Handbook shall prevail.

4. Policy Commitments

4.1. Voluntary Employment

Coffex Coffee strictly prohibits any form of forced labor, indentured labor, or human trafficking within its operations and expects the same from all partners. We:

- Do not retain workers' identity documents or restrict movement.
- Ensure all employment agreements are freely signed and fully explained in a language understood by the employee.
- Do not engage in bonded labor through debt or deposits. (For purposes of clarification, recipients of scholarships and professional development are expected to serve the company on mutually agreed basis.)

4.2. Child and Young Worker Protection

Coffex Coffee does not employ children under the age of 15 in any capacity. In cases where young workers (15–18) are employed:

- Their work complies with Children and Young Persons (Employment) Act 1966.

- We do not assign them hazardous duties, shift work, or overtime.
- Educational development, safety, and health are prioritized.
- We respect the decision of their legal guardian.

4.3. Working Hours and Overtime

In line with Section 60A of the Employment Act 1955, our working hours:

- Are limited to 45 hours per week, with clearly structured workdays and break intervals.
- Include rest days and paid public holidays declared by the company.
- Overtime is capped at 104 hours/month, compensated as required by law.

Management ensures all scheduling and rosters comply with Malaysian labor laws.

Overtime work will be fairly compensated based on **Employment Act 1955**; however, employees who consistently claim overtime without being formally ordered by the management may be investigated for lack of productivity or abuse of overtime system.

For pregnant employee or male employee with a pregnant wife, they shall enjoy maternity leave and/or paternity leave as required under the **Employment Act 1955 (Amended 2022)**.

4.4. Fair Wages and Benefits

Coffex Coffee guarantees:

- Monthly wages that meet or exceed the **Minimum Wages Order 2024** depending on the experience of each employee.
- Issuance of payslips, with detailed breakdowns of basic salary, overtime, incentives, and deductions.
- All wages will be paid out to all employees not later than the 7th day after the last day of any wage period. However, for the benefit and the welfare of the employee, all wages are paid out at the end of the month
- Timely statutory contributions to EPF, SOCSO, and EIS.
- Benefits that include annual leave, medical leave, insurance, and other entitlements as per our internal policies.
- Unauthorized deductions are strictly prohibited.

4.5. Non-Discrimination and Equal Opportunity

We are a proudly inclusive employer. At Coffex Coffee, all employees are evaluated based on merit, qualifications, and job performance, never on the basis of:

- Gender, age, race, religion, ethnicity, nationality
- Marital status, disability, pregnancy, union membership, or political beliefs
- Gender identity and sexual orientation

These values are consistent with the **Article 8 of the Federal Constitution of Malaysia**.

Promotion of employees will be subject to **paragraphs 10 and 11 of the Employee Handbook**. For purposes of managing manpower requirements, employees may be transferred to a different department, as per paragraph 4 of the Employee Handbook. However, adequate training and development opportunities will be given for employees who are being transferred to a new department.

Coffex Coffee employees are expected to wear the appropriate attire during working hours at the workplace, and will comply with the company's dress code (**refer to paragraph 46, Employee Handbook**). Intentional disregard for the company's dress code may be considered a disciplinary matter.

4.6. Respect for Freedom of Association

Coffex Coffee respects the rights of all employees to:

- Form or join trade unions as allowed under Industrial Relations Act 1967.
- Engage in lawful collective bargaining and employee representation.
- Discuss concerns openly with no fear of retaliation or intimidation.

Management welcomes constructive employee feedback and encourages communication through proper internal channels.

Employees who participate in, or are affiliated to, unlawful organizations which can bring disrepute to Coffex Coffee, may be subject to query.

4.7. Safe and Healthy Working Environment

We maintain a strict Occupational Safety and Health (OSH) system that includes:

- Regular risk assessments in accordance with **OSHA 1994**.
- Safety briefings, fire drills, and access to PPE.
- Proper handling of coffee machines, roasting equipment, and other machinery.
- Reporting of unsafe conditions without retaliation.
- All plant and equipment must be maintained to be necessary standard
- Provide training to all employee
- Initiate Safety Policies and revise safety policy every Two (2) years

We also encourage **mental well-being**, with support available through supervisors and HR. The content of the counselling shall be kept confidential.

4.8. Harassment-Free Workplace

Coffex Coffee enforces a **zero-tolerance** stance on:

- Sexual harassment
- Verbal abuse
- Physical intimidation
- Any form of bullying or humiliation

We comply fully with the **Employment (Amendment) Act 2022**, which mandates proper grievance handling and investigations related to harassment cases. We have implemented a whistleblowing policy and all grievances can be reported securely and anonymously (if necessary) using the whistleblowing channels of the company.

4.9. Respect for Due Process

Coffex Coffee respects the principles of natural justice and fairness, and implements a multi- step process in matters concerning discipline within the company, following section 54 of the Employee Handbook. The domestic inquiry process will include these steps:

- Show cause letter
- Panel inquiry
- Decision

Other pre-domestic inquiry steps outlined in section 54 also apply in matters of employees' discipline, including corrective interview, verbal warning, and written warning.

The panel for domestic inquiry shall comprise of managers outside the reporting line of the affected employee. Subject to this rule, the affected employee may request to nominate a panel member from within Coffex Coffee for purposes of transparency.

5. Ethical Recruitment and Contracts

All employment relationships at Coffex Coffee are:

- Based on clear, written contracts explained in advance.
- Transparent with respect to wages, scope of work, hours, and notice periods.
- Fully compliant with Part II of the **Employment Act 1955**.

We engage only with licensed recruitment agencies and conduct periodic reviews of hiring practices to prevent unethical practices, especially for foreign workers.

6. Supplier Expectations and Oversight

Coffex Coffee expects its direct suppliers and service providers to meet the labor and human rights standards outlined in this policy.

- All suppliers must comply with Malaysian labor law and relevant ILO standards.
- Periodic audits or assessments may be conducted to verify compliance.
- We reserve the right to suspend or terminate relationships with suppliers who fail to uphold this commitment

Coffex Coffee commits to uphold anti-corruption laws in dealing with suppliers and third parties.

7. Grievance Mechanism and Whistleblower Protection

Coffex Coffee encourages employees to raise concerns via:

- Anonymous suggestion boxes and Google Forms
- Directly contacting the Human Resource Manager
- Reporting under our Whistleblower Policy

Whistleblowers will be protected from retaliation in accordance with the **Whistleblower Protection Act 2010**.

All complaints are investigated fairly, confidentially, and without prejudice with the oversight of the Whistleblowing Committee as described in the company's **Whistleblowing Policy**.

Complainants whose identities are known to the Whistleblowing Committee will have their confidentiality protected and receive regular updates until the matter has been resolved.

8. Training and Awareness

- All new employees undergo onboarding training on labor rights, safety, and ethical conduct.
- Annual refresher programs reinforce company values and expectations, including ethics and compliance.
- Managers and team leaders receive targeted training on complaint handling, legal compliance, and fair employment practices.
- All employees must undergo anti-corruption training.

9. Monitoring and Review

This policy is reviewed annually or in response to legal or operational changes. Reviews are conducted by the HR and Compliance Teams and approved by Directors.

Performance metrics tracked include but not limited to the following:

- Staff turnover rates
- Internal grievances and resolutions

10. Policy Ownership

This policy belongs solely to **Coffex Coffee (M) Sdn Bhd** and is not to be copied or adapted for use by any other organization without written permission.