

Communication on Progress
Implementing UN Global Compact Principles in the QI Group



To Our Stakeholders:

I am pleased to confirm that the QI Group reaffirms its support of the Principles of the United Nations Global Compact for the sixth year in a row.

We will continue to promote and enforce these Principles and advance the broader United Nations Sustainable Development Goals (UN SDGs) in our businesses, workplace, employee culture, and community development programmes.

In this annual Communication on Progress, we describe our actions to continuously improve the integration of the UN Global Compact and its Principles into our business strategy, culture and daily operations. We also commit to sharing this information with our Stakeholders using our primary communication channels.

Yours faithfully,

Kunaseelan Senathirajah
Group Managing Director

A. Human Rights Principles

QI Group is committed to ensuring that all our employees, business partners and customers respect the Universal Declaration of Human Rights. Based on our commitment, we have set up Standards of Conduct and guidelines to clarify our position to all our employees, suppliers and customers.

QI Group strongly believes everyone has the right to a better life and education. Through the RYTHM Foundation, the QI Group's Social Impact Initiative, we invest in the communities in which we operate, through strategic partnerships, employee volunteering and community service.

An acronym for "Raise Yourself To Help Mankind", RYTHM is the corporate heartbeat of the QI Group. The RYTHM Foundation's core values are built on the principles of empowerment, volunteerism and resilience. Our vision is to empower lives and transform communities. We bring sustainable developments to the communities we serve while being mindful and respectful of the environment.

RYTHM Foundation strives to enforce the QI Group's aspirations and responsibility in playing a pivotal role in achieving the UN Sustainable Development Goals (SDGs). All projects supported by the Foundation are designed within the framework of three focus areas: Education for All, Gender Equality and Sustainable Community Development, which contribute to various interrelated SDGs.

1. Education for All

We believe that education is a catalyst for social and economic transformation. We educate our children; we provide them with the tools to analyse society's challenges, uplift themselves and rise above their limitations.

Over the years, QI Group, through the RYTHM Foundation, has invested in projects that provide access to education to some of the most underserved communities in the world. The Foundation has provided scholarships, funded school programmes, sponsored computer labs, educational supplies, and infrastructures in several developing countries. We have also supported programmes to empower teenagers and specially-abled children through sports to equip them with the skills and competencies required for a progressive and sound future. We recognise that education is the greatest equaliser in the history of modern society, and we strive to contribute to the promotion of an inclusive and equitable society. The table below outlines a simple logical framework used by the Foundation to achieve its objectives in this focus area.

| Objectives to be achieved | Inputs/Resources | Outcome indicators | Impact |
|--|---|---|---|
| 1. Build and upgrade education facilities that provide a safe and effective learning environment for the poorer segment of the population. | Education materials, learning space, and infrastructures. | Number of education facilities built, refurbished and equipped with basic needs. | Enhanced academic and creative literacy among the rural communities and poorer population segments. |
| 2. Provide access to safe, equitable and affordable early childhood education to the most needy children, equipped with basic facilities (water, | Addressing basic needs of education centres – nutritional meals, clean water and sanitation and transport facilities. | Number of Early Childhood programmes and facilities established among rural communities. Scholarship, access to | Directly contribute to SDG 4. |

| Objectives to be achieved | Inputs/Resources | Outcome indicators | Impact |
|---|--|--|--------|
| <p>sanitation, nutritional meals, and space to explore their creativity).</p> <p>3. Ensure quality education and lifelong learning opportunities to the poorer population, including boys, girls, women, men and persons with disabilities.</p> <p>4. Invest in capacity-building initiatives for teachers and service providers to provide state-of-the-art learning programmes to the learners.</p> | <p>A safe environment that enhances the creativity of the youth (i.e. playground).</p> | <p>nutritional meals, education materials, capacity building, programmes and vocational training.</p> <p>The number of teachers and service providers and their capacity to serve their beneficiaries efficiently.</p> | |

Education for All

| Project Title | Project Partner | Project Brief | Country | No of Beneficiary | Progress |
|--|---|---|-----------|---|--|
| No Children Left Behind | Development of Human Resources In Rural Areas (DHRRA) | RYTHM Foundation collaborates with DHRRA to enrol stateless and undocumented children in school and supports them with financial aid to help them stay in school | Malaysia | 390 – Children 450 – Stakeholders (teachers, Parents Teacher Association members and relevant community organisations and leaders) | <ul style="list-style-type: none"> a. All 390 children have been enrolled in school. b. Awareness and advocacy workshop completed for 230/450 stakeholders. c. SDG Localisation Conducted for 120 stakeholders. d. Guidebook on raising awareness of the plight of stateless children's access to education - 1000 copies distributed to community representatives, political parties, PTA Leaders, District offices and schoolteachers. |
| Grassroot Sports Based Social Intervention, Life Skills and Health Education | ASA Foundation | ASA Foundation, supported by RYTHM Foundation, delivers an on-the-ground, grassroots Sports-based Social Intervention, Life Skills & Health education project to youth and young adults. | Indonesia | 30 Trainers 6000 Students | <ul style="list-style-type: none"> a. ASA Foundation was able to train 36 trainers, of which 22 were females. b. They reached out to 9710 direct beneficiaries instead of the 6000 initial targets. c. They started a virtual learning platform during the pandemic, reaching out to over 30,000 students. |
| Education Through Sports Project | Agoro Ne Obra Pa (ANOPA) | The Education through Sports Project (ESP) would look at using special sports programmes such as swimming to encourage the hearing impaired children and the blind to enrol in school and strive to maintain the highest ability to retain them in school | Ghana | 10 villages 500 parents 500 Deaf & Blind Students | <ul style="list-style-type: none"> a. Sensitisation and advocacy were conducted for 14 villages instead of the targeted 10 Villages. b. 382 out of 500 parents were sensitised to the importance of education for specially-abled children. c. 185 out of 250 deaf children and 82 out of 250 blind children have been enrolled in local government special schools. |

| Project Title | Project Partner | Project Brief | Country | No of Beneficiary | Progress |
|--|--|--|---------|---|--|
| Empowerment of girls and children of marginalised communities through formal and informal education. | National Forum for Advocacy, Nepal (NAFAN) | RYTHM Foundation and NAFAN will work hand in hand to Engage-Educate-Empower Chepang and other marginalised children and girls of the Raksirang rural municipality, Makawanpur, through an education programme that can help them secure a better future. | Nepal | 180 girls and young women aged between 5 and 30 years old | <p>By the end of the project, the overall expected impact is projected below:</p> <ul style="list-style-type: none"> a. At least 99% of the children will be enrolled in schools after two years. b. 60% of children will regularly attend classes at school after three years. c. At least 50% of parents will understand the value of practical education. d. At least 50% of parents will send their children to school willingly. <p>The project has just surpassed the six months timeline and is very much in the inception stage.</p> |

2. Gender Equality

One of the measures of a progressive society is the ability of women and men to enjoy equal opportunity across all levels.

RYTHM Foundation takes pride in curating programmes and working with respected global partners to support projects that provide training and opportunities to young girls and women from disadvantaged or rural communities to become independent and learn to live to their fullest potential. The table below outlines a simple logical framework used by the Foundation to achieve its objectives in this focus area.

| Objectives to be achieved | Inputs/Resources | Outcome indicators | Impact |
|--|--|---|---|
| 1. Ensure women from the poorer segment of the population have access to opportunities to upskill their livelihood, economic growth and be self-reliant. | Funding for programmes that enhance women earning capacity. | Women and girls actively engaged in income-generating activities can earn and support themselves and their families. | Empowering all women and girls is critical to sustainable development and stronger societies. |
| 2. Ensure girls are equipped with skills to be self-reliant, have access to equal employment and are shaped to be leaders and contribute to their society and country's social and economic development. | Training and capacity-building programme run by RYTHM Foundation. | The number of girls who are empowered to be self-reliant and participate actively in social initiatives such as sports and vocational programmes. | Directly contributes to SDG 5. |
| 3. Support organisations that empower women and girls and advocate for eliminating all kinds of discrimination and harmful practices. | Nutritional meals, Shelter, Skills Enhancement and Behaviour Modification. | Increase the number of girls who gain employment through Foundation-funded empowerment/social and economic programmes. Increase in the number of organisations that create awareness, prevention and intervention programmes to reduce or eliminate discrimination and harmful practices on girls and women. | |

Gender Equality

| Project Title | Project Partner | Project Brief | Country | No of Beneficiary | Progress |
|---|--|--|-----------|---|---|
| Support Livelihoods through entrepreneurship development targeting disadvantaged women in selected two districts in Sri Lanka | Lanka Jathika Sarvodaya Shramadana Sangamaya (SARVODAYA) | RYTHM Foundation supports Sarvodaya's mission to uplift and empower disadvantaged groups in Sri Lanka by funding its vocational training and entrepreneur development initiatives. | Sri Lanka | 400 youth in 2 districts | a. 200 youth have obtained their completion certificate for the training, with 30 selected beneficiaries receiving grants to improve their business ventures. |
| Economic Empowerment of Women in Eastern India through Microenterprises | Parinama Development Foundation (PDF) | RYTHM Foundation and Parinama Development Foundation's partnership enables women's economic empowerment and minimises the gap created due to gender inequality. | India | 1300 rural women 500 business and microfinance organisations | a. Conducted 19 training sessions and have reached out to 1141 beneficiaries. b. 200 district-level officers support local initiatives through the advocacy workshop. c. More than 50 women producers are collectivised. |
| Law Employment Programme | Mann Deshi Foundation | RYTHM Foundation and Mann Deshi Foundation aim to support talented young women athletes to become outstanding sportspersons and join the Law Employment Programme. | India | 800 rural female youths | a. Develop a sustainable and comprehensive in-house training programme to support rural girls and young women entering law enforcement employment. b. Support 800 rural girls and young women to participate in this training programme over the next three years. c. Support 500 young girls and women to earn an excellent livelihood that will substantially improve the quality of their lives. |

| Project Title | Project Partner | Project Brief | Country | No of Beneficiary | Progress |
|---------------|-----------------|---------------|---------|-------------------|---|
| | | | | | <p>d. Create a cadre of mentors who inspire other rural girls and young women to play sports and enter sports-related professions.</p> <p>This project was initially expected to be completed in May 2022; however, they faced challenges during the pandemic. RYTHM Foundation has extended the project completion timeline to January 2023.</p> |

3. Sustainable Community Development

RYTHM Foundation has joined forces with partners in many developing countries to work at the grassroots level to upscale rural communities' social and economic status and disadvantaged segments of society. Projects include building infrastructures for better living conditions and capacity-building initiatives to improve social, economic and environmental conditions. The table below outlines a simple logical framework used by the Foundation to achieve its objectives in this focus area.

| Objectives to be achieved | Inputs/Resources | Outcome indicators | Impact |
|---|--|---|---|
| 1. Provide access to reliable, affordable and sustainable clean water, improved sanitation and modern energy services in rural areas for the poorest segment of the population. | Water and sanitation. Clean energy services. Programmes that enable improved quality of life and sustainable earning capacity among the disadvantaged community. | Rural areas with basic infrastructures. Awareness among rural and slum communities on the importance of sanitation and clean energy. | Develop sustainable infrastructures, systems and policies that improve the quality of life among disadvantaged communities, particularly in rural and slum areas. |
| 2. Ensure communities are educated and empowered to access and sustain clean water, sanitation and modern energy services. | | Availability of job opportunities through Social Enterprise Initiatives. | |
| 3. Provide social and economic development programmes to improve their quality of life | Community literacy programme to achieve basic reading and writing skills to attain social mobility. | Basic reading and writing skills attained. | Directly contribute to SDGs 8 & 11. |

Implementation

We have actively informed all our employees and candidates during the interview process, induction and onboarding programme and our suppliers of the company's commitment to human rights and encouraged them to commit as well. An internal training system is in place where employees are trained regarding the company's commitment.

We have ensured that our Workplace Violence Prevention Policy is ingrained in the training programme offered to all our employees. QI Group strives to maintain a work environment free from violent behaviours. Managers are bound to act whenever violence, in any form, occurs.

We also ensure that the partnering organisations of the RYTHM Foundation adhere to the partnership's guidelines.

We have developed a Volunteer Code of Conduct, which our employees must sign before engaging in our Staff Social Responsibility (SSR) programme as we handle various community-based SSR initiatives, including children, youth and senior citizens. This Code of Conduct will provide guidelines on how all volunteers must conduct themselves in their interaction with one another, the community and the beneficiaries.

Measurement of outcomes

We have an open-door policy that encourages employees and partners to report any suspected infringement of the company's Standards of Conduct.

QI Group's audit team evaluates businesses, suppliers and customers against defined principles, policies and guidelines. An infringement of human rights will be documented, and the responsible partner will be placed on warning and probation and given a limited timeframe to address and resolve the issue. Continued non-compliance will result in the partner relationship being terminated. Our suppliers are also regularly audited to ensure they work within the defined human rights guidelines.

An internally developed framework measures RYTHM Foundation initiatives' social impact. We apply the same impact measuring guidelines to the partnering organisations. We always strive to identify, understand and capture the total value of the impact of our activities. Measuring social impact will help us manage and communicate the social value that our work creates clearly and consistently. More information about the projects and impact stories is available at <http://www.rhythmfoundation.org/category/impact-stories/>

Sustainable Community Development

| Project Title | Project Partner | Project Brief | Country | No of Beneficiary | Progress |
|---|--------------------------------|--|-----------|--|--|
| Footprint Project | Water For Africa (WFA) | RYTHM Foundation and Water for Africa's initiative is a sustainable farming project that has the potential to see the water programme in Tanzania become self-sustainable through the crops grown, harvested and sold. The social impact is of equal value to the people and communities we work with. | Tanzania | 26 Local Villages for employment 40 Acres of farmland will be cultivated for the planting of 250 Avocado and 250 Macadamia seedlings | a. Planted 250 macadamia nuts trees and 250 avocado seeds. b. Employed a total of 26 staff consisting of 15 men and four women, seven casual staff were hired based on a need basis in the plantations. c. Three children of the employed staff have enrolled in school. d. Upon harvest, USD 200,000 profit is expected from the crop sale. |
| Promote Social Inclusion of Persons with Special Needs for Sustainability | Women Development Centre (WDC) | Working on a structured system, WDC creates awareness of disability rights, prevention, early intervention, rehabilitation and social inclusion for the community members and duty bearers to develop platforms for persons with disabilities to access services by establishing community centres, Special Education Units (SEUs) in mainstream schools and integrating within existing structures. | Sri Lanka | 300 Children from 6 months - 18 years of age, born with a disability - physical, mental, intellectual and sensory. 25-30 youth (VTC) 650 family /community members 40 Duty bearers 40 Rehabilitation staff /Volunteers 25-30 Trained volunteers | a. WDC has surpassed the targeted number of beneficiaries by providing rehabilitation services to 416 disabled children and youth; they had targeted to deliver to 300 children and youth. b. The same 416 children and youth received multiple rehabilitation services, including vocational and livelihood training. c. Through WDC's interventions, nine (9) youths were engaged in wage-earning employment, and two (2) were supported to start self-employment. |
| Fellowship for Budding Social Entrepreneurs | Manava Seva Dharma Samvardhani | RYTHM Foundation and MSDS will support young budding social change | India | Founders of social enterprises with innovative ideas for social change, exhibiting | a. 490 transgender people were trained on various livelihood courses in collaboration with the |

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|-------------------------------------|--|--|-----------|--|---|
| | (MSDS) | agents working in rural areas or with marginalised groups. They will be offered a monthly stipend of Rs.10,000 for three years to help and motivate them to carry out our social intervention projects through their social start-ups. | | social entrepreneurial traits, aspiring to solve the social issue addressed holistically. | <p>Social Justice and Empowerment Ministry of India through the Transgender Self Help Group.</p> <p>b. 5300 trees were planted in six villages through the reforestation initiative of the Aalap People's Foundation.</p> |
| North Community Development Project | Lanka Evangelical Alliance Development Service (LEADS) | RYTHM Foundation and LEADS have been working towards strengthening the families and communities of children at risk through sustainable community interventions to reduce their vulnerability to abuse, poverty, and socio-natural disasters | Sri Lanka | Families from the Northern Province of Sri Lanka (Post-conflict region) with a particular focus on Female-Headed Households. | <p>a. Setting up of the CSEB yard & ensuring the manufacture of bricks accordingly to the accepted quality by the government of Sri Lanka.</p> <p>b. Formation of self-help groups equipped to work together to improve the family's economic conditions.</p> <p>c. To distribute digital educational Material to 150 youths.</p> <p>This project was expected to complete in May 2022; however, they faced challenges during the pandemic. RYTHM Foundation has extended its project timeline to the end of August 2022.</p> |
| Empowering North East India | Global Himalayan Exhibition (GHE) | RF will work with ground partner - Global Himalayan Expedition on a project to implement a holistic development model for the rural Un-electrified communities of Meghalaya by providing them with | India | <p>Energy Access to 470 Villagers</p> <p>Solar Powering Primary Health Centre will provide 20,000 villagers with access to health care</p> | <p>a. 420 Villages have received electricity.</p> <p>b. Solar system has been set up at the primary health care centre.</p> <p>c. Setting up of Community Ownership Model for Village Electricity Management is completed.</p> |

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|-------------------------------------|-----------------|--|----------|--|--|
| | | energy access and creating a community-owned sustainability model around it. The project will also involve setting up Solar Powered Health Centres and upgrading the health infrastructure at the Primary Health Centres that cater to more than 20,000 villagers. | | | |
| Desa Mentari Transformation Project | MYPJ | The project focus on the urban slums of PJS Petaling Jaya, where poverty, racial conflict (Taman Medan), social ills, crimes and local government neglect are present. | Malaysia | The project involves three blocks of building housing 1500 households. The racial composition is about 55% Malays & 45% Indians. | <ul style="list-style-type: none"> a. Empowerment sessions for Adults and Tuition classes for Youth. b. Management of strata property's role and responsibilities of residents. c. Communal activities to get residents to have ownership of their block and to work together with building managers to provide a clean environment that will restore their dignity. d. Futsal Classes to discourage youth from taking part in unhealthy activities. e. Engagement meetings with the city council to develop more creative ways to empower B40 communities sustainably. |

B. Labour Principles

QI Group believes in equal employment opportunity and is committed to providing our employees - our most important resource - the opportunity to develop themselves to achieve their full potential, personally and professionally. All employees, regardless of age, grade, gender, disability, or ethnic background, are encouraged to participate in personal and professional development programmes.

Our HR team ensures that workplace policies and practices are fair and do not inhibit employees' potential. All employees are valued and respected and have opportunities to develop their full potential.

QI Group also actively promotes diversity and inclusion in the workplace. We believe businesses have the transformative power to change and contribute to a more open, diverse, and inclusive society. QI Group has committed to hiring people from diverse backgrounds. We are proud to have an almost equal gender representation in our workplace and in our management team. A growing number of millennials fuel a core part of our growth. We are not just diverse in terms of race and gender but also provide equal opportunities to the differently abled.

Implementation

The HR team ensures that the recruiting policy reflects our commitment as an equal opportunity employer. We ensure that our job ads clearly state the QI Group's core values so that potential candidates understand our culture.

The QI Group is committed to actions that help and support our employees' work life. This year, despite the limitations imposed by the pandemic, we have implemented several initiatives to foster a safe, open, and supportive working culture and environment and to ensure that all our employees receive the training opportunities they need to grow:

1. Refreshed QI Group core values workshops

As the QI Group continues to grow, we strive to empower people and make a positive impact worldwide. All our employees must live the core values that define our culture, our existence and the heart and soul of our company. The core values are the principles that guide us daily when serving our colleagues, customers, and communities. QI Group's core values are:

INTEGRITY

Truth above all. Truth in all! Integrity in thought, word, and action.

SERVICE

We serve to lead and lead to serve. Service to all is our credo.

SUSTAINABILITY

We are merely caretakers for the next generation. We must preserve, sustain, and even resurrect.

LEADERSHIP

Lead to Inspire and Inspire to Lead! We nurture and inculcate entrepreneurial passion as the path to independence, inclusiveness, and innovation.

For QI Group to grow and thrive sustainably, it has become evident that our employees must align with the core values as they contribute to the organisation's overall success. In addition to the introduction to the core values of the company during onboarding, we also conduct a series of interactive workshops during regular intervals with employees to help them understand and live up to those values and inspire them to take positive action.

2. Revamped induction programme- Virtual

We have revamped our induction programme. We are approaching the orientation process with the mindset that this is a critical period in a new employee's life. What they experience during this process shapes how they feel about the company, which in turn determines their level of commitment to the job. Our induction programme strives to cover important milestones in the new hire's life, such as their experience on the first day, first week, and first month. A roadmap is laid to cover these critical milestones, allowing us to shape the new employees' experience in the critical early stages.

3. Buddy programme

We have implemented a buddy programme for new hires by pairing up the new person with an experienced existing employee who can serve as a friend and guide during the first few months. We recognise that it is essential to ensure that the new employees feel at home and engaged, especially during the early stages of their employment. The seasoned employee will help the new person gain insights into the company's work culture and help them navigate workplace systems and processes better, which results in a quicker settling-in period. The buddy programme is intended to encourage healthy workplace relationships that support the QI Group and raise levels of employee engagement for new and existing employees.

4. Mentoring programme

The mentoring programme is QI Group's investment in its future leaders. It is a structured framework designed to engage, develop, and retain high potential employees and to ensure that their professional learning and leadership skills are continually strengthened and sharpened in line with QI Group's core values. The programme was launched in the later part of 2020 with the company's first cohort of mentees and is ongoing. We conduct regular check-ins with the mentors and mentees, and at the end of the 1-year period, we will evaluate this programme's effectiveness.

ILead Women's Mentoring programme

We have recently launched an only Women's mentoring programme that aims to offer women mentees who are already in managerial roles an opportunity to learn from experienced female leaders who have successfully navigated various challenges throughout their careers and have risen through the ranks. Mentees can seek guidance, expand their network, and enhance their knowledge from women who have been in their shoes before. There are a total of 17 women involved in the programme currently, and around ten high-potential female managers have been identified and are being mentored by women in leadership positions within the QI Group through a one-year structured programme.

5. Talent Development programmes

We started reinventing our development programmes to adapt to the new normal and decided to step up the game, elevate our support to the business, and become more customer-centric. We changed the way we did things and focused on the following attributes:

- Right size & content: as learning sessions moved virtually, they needed to be practically shorter and more focused.
- Just in time: as the knowledge needed to be accessed when it was needed.
- Innovative: to cater to the needs of future generations and skills required.
- Adaptive: It needs to be customised and personalised to suit individual needs.
- On-demand: to give flexibility and the ability to connect with the needs of today's workforce.

6. Self-Directed Learning- The e-learning platform "QI LEARN", introduced in 2019, has enabled our employees to engage in tremendous self-directed learning. The platform, which comprises about 90 courses and is made accessible to all employees, has seen an adoption growth of 50% this year during the pandemic. QI LEARN has also been used to create some of the learning journeys of the employee development programmes.

7. Key Talent Development and Succession Planning:

At QI in 2021, we have accelerated our high potentials' growth and career progression through a one-year job rotation programme. Four employees were shortlisted for this initial pilot programme and we will be expanding the pool for next year's intake. The current four incumbents rotate in the different business areas to gain critical experiences tied to their development plans.

These included a targeted Development plan, A dedicated mentor, Self-assessments, Structured Learning, Check-in, feedback and networking with our Chiefs. In addition, we launched various Leadership programmes to target future skills like Emotional intelligence, Critical thinking and Leading workplace Change to enhance and strengthen our Leadership portfolio.

8. Higher education opportunity programme - 7 students (Corporate employees)

We believe in investing in our people by offering them avenues for career development. Through Quest International University (QIU) in Malaysia, we offer our employees the opportunity to earn an MBA degree at a very affordable cost by subsidising their fees. Please find more information about QIU's MBA programme at <http://www.qiu.edu.my/study/programmes/>.

9. Strengthening existing learning and training programmes

We have always offered our employees the opportunities to attend specially designed personal development programmes to help them become better individuals, leaders, managers, and human beings. In the last year, due to social distancing and lockdowns worldwide, we have adapted all our training programmes into the virtual format.

- i. The Zone. The Zone is a unique leadership development programme spearheaded by the Executive Chairman of the QI Group. The participants are drawn from a combination of employees, the Board of Directors, and distributors of QI Group's direct selling business. Participants at the Zone go through four days of intense reflection and self-assessment to help them find their purpose. In 2020 and 2021, the Zone was adapted into The Zone Connect programme on a virtual platform.
- ii. QI Rising. QI Rising is a teambuilding training programme that functions as a tool to develop and empower the next generation of leadership of the company. Participants are coached in developing an awareness of themselves as leaders and role models within an environment that allows for freedom of engagement, dialogue, and the plurality of voices. The aim is to cultivate a sense of teamwork, self-confidence, and a spirit of ownership for the company's vision among key employees. In the last year and a half, QI Rising has been adapted into a virtual format called 2E sessions, focusing on building the second echelon of leadership for all managers and future managers.
- iii. STEER. A training programme moderated by the Deputy Chairman, STEER, helps build and develop people with the confidence in their ability to do great things for the benefit and progress of their careers and the company. An acronym for Service, Teamwork, Enrichment, Excellence and Resolve, STEER aims to develop amongst employees a solid commitment to delivering genuine, heartfelt SERVICE in their respective fields of work; a sense of TEAMWORK in terms of creating a meaningful understanding of how people are dependent on one another for success; a feeling of ENRICHMENT by nourishing the mental, emotional, and physical well-being; a culture of EXCELLENCE in everything they do and, ultimately, a RESOLVE amongst them in coming to terms with their identity, wellbeing, and purpose in the company. We were able to conduct the STEER programme in early 2020 before lockdowns were announced around the world. We look forward to resuming this programme once restrictions are eased.
- iv. Second Echelon (2E). An exclusive training and mentoring initiative facilitated by our Founders, the 2E programme aims to identify and develop the second echelon of leadership within the QI Group.

v. QI Learn. Learning Management System (LMS)

The company launched a brand-new eLearning portal, QI Learn, where employees can enrol in courses online – anywhere, anytime! Through this functional portal, which is powered by Agylia, one of the UK's largest bespoke eLearning companies, employees will not only be able to learn various essential skills, but they can do it right from their desk at their own time. The Agylia Learning Management System (LMS) enables companies to provide users with eLearning and microlearning courses, videos, and performance support materials. Learners can also access the Agylia Mobile Learning Application that allows on-the-go access to their lessons. The QI Learn platform offers various topics that cover a broad spectrum of skills such as professional and self-development, leadership, and technical and business expertise.

10. Community engagement

QI Group provides a purposeful opportunity for all employees to practice community service through the Staff Social Responsibility (SSR) programme. Employees of the QI Group are encouraged to dedicate at least 16 hours of personal time each year to causes that benefit their local communities. In some cases, employees choose to dedicate more than the required 16 hours as they recognise the importance of serving others and helping to make a difference in their community. Despite the limitations imposed by the pandemic, our employees have continued to give back in their own way by organising online/virtual fundraisers with friends and family to provide food and groceries to underserved communities affected by the pandemic and supplies to frontline healthcare workers in many countries.

11. Introduction of the Flexitime

The QI Group recognises that a better work-life balance can improve employee motivation, performance, productivity and reduce stress. In June 2019, QI Group introduced the Flexitime policy to provide employees with flexible working hours allowing them to have increased control over their schedule and work environment.

12. Whistleblowing policy

We expect our employees to adhere to the highest standards of professionalism and ethics in the conduct of our business and professional activities. As part of good corporate governance, QI Group has established a whistleblowing policy that identifies avenues for concerns to be objectively investigated and addressed. Our employees will be able to raise concerns about illegal, unethical, or questionable practices in confidence and without any risk of reprisal.

13. Sexual harassment policy

A safe and respectful workplace is vital to us. We are currently developing a policy on sexual harassment to encourage our employees to submit to a special committee any complaints they may have about sexual harassment at the workplace. We will provide guidelines on what constitutes sexual harassment and the process for reporting and investigating complaints.

14. Employee engagement survey

We conduct periodic employee engagement surveys to get feedback from our employees. Engagement surveys are crucial because they allow our employees to give feedback and for the management to listen to the pulse of our employees and involve them more in our quest for excellence.

15. Employee Mental Health Programme - QI cares

The QI Group takes a proactive step in supporting employees' mental health. Through a collaboration with Naluri, a global services provider specialising in mental health and wellness, the company is looking for a solution to proactively provide targeted mental health support services for identified, at-risk employees located within eight geographical offices around the world.

Following this initiative, the company has launched its Digital EAP 2.0 programme that provides tailored support services according to employees' risk profiles. The programme will be:

- 1) Results-based: We measure mental health to deliver targeted interventions to high-risk individuals and measure outcomes;
- 2) Structured: We provide long-term support and help employees achieve quantifiable health improvements through structured, personalised coaching;
- 3) Integrated: We use a multi-disciplinary coaching team where other health coaches support our psychologists to provide holistic care.

16. Work-From-Home

The QI Group has implemented Work-From-Home for employees in countries experiencing increased Covid-19 infection rates. This is a proactive precautionary measure taken to safeguard the health and safety of our employees.

17. Graduate Trainee Programme

The QI Group rolled out the Graduate Trainee Programme (GTP) in 2020 to attract fresh university graduates with exemplary academic achievements to join the company. This is in line with the company's talent management initiative to build a sustainable talent pipeline for future leaders of the QI Group. These new graduates have been assigned to various departments/functions along with a mentor. Regular assessments and check-ins are conducted with the participants of the programme, and at the end of 12 months, they will have the opportunity to choose a new rotation in a different subsidiary of function within the group.

The qualification or eligibility criteria include an undergraduate degree with First Class Honours or equivalent in a relevant field of study from a reputable institution of higher learning. Graduates from Quest International University are also encouraged to apply to this programme. Other requirements include an outstanding extra-curricular track record and demonstrable behavioural attributes.

18. Launch of QI Employee Intranet Platform

The QI Group launched a revamped employee intranet platform in April 2022. An intranet can be a powerful tool. It can turn our employee engagement around, clarify internal communication, and streamline processes.

Internal communications are at the centre of digital transformation today. As we grow with more offices and a highly distributed workforce that works both in-office and remotely, we are responsible for effectively reaching our people, no matter where they are geographically located or in which time zone they are in.

The QI Intranet serves to:

1. Improve internal communication
2. Connect our companies across locations and time zones
3. Help employees find information
4. Simplify employee onboarding
5. Provide organisational clarity
6. Encourage knowledge sharing
7. Reinforce our brand and values
8. Reduce emails and meetings
9. Bring our workplace culture to life
10. Improve employee engagement

Measurement of outcomes

Keeping records and monitoring activities help keep us accountable. We have internal systems in place to track the progress. Below are major highlights:

- Inclusion and diversity in our workplace.
 - Employees: 52% male, 48% female
 - Management: 56% male, 44% female
 - 53% of employees are millennials.
 - We have over 46 nationalities represented
- Staff Social Responsibility (SSR) programme. Since the SSR programme was initiated in 2013, QI Group employees have dedicated over 100,000 hours in more than 20 countries to volunteerism.
- Refreshed core value workshops. Over 375 employees have participated in six interactive workshops since 2019. More virtual workshops are planned in the coming months.
- Flexitime policy. We have received positive feedback from our employees, many of whom have benefited from this policy since its introduction in June 2019.
- Subsidised QIU MBA Programme for employees. This subsidised education programme has generated significant interest, and some employees have already enrolled in the programme.

C. Environmental Principles

The QI Group is committed to making a sustainable social impact on everything we are involved in, be it business, philanthropy, investments, or sponsorships.

We support the UN Sustainable Development Goals to reduce the harmful impact on the environment. We are continually strengthening our policies and business practices to address how we engage with the environment and how we can advocate for a better world.

Safeguarding the Environment is one of the QI Group's sustainability pillars, next to Empowering People and Transforming Communities. As part of our commitment to sustainable practices, we have established an internal Social Impact and Sustainability Committee that spearheads several initiatives and provides guidance on sustainability principles for business processes.

1. Advocacy for Plant-Based Diet

Since our inception in 1998, QI Group has chosen to advocate for a plant-based diet. We believe we have a responsibility to the planet and to sustain its limited resources for future generations. It is a philosophy that we actively promote internally to our employees, though by no means is anyone forced to convert to vegetarianism.

All our company events and meetings are completely meat-free. We believe that going meat-free and embracing a plant-based diet is one of the most important things we can do to mitigate the harmful effects of the meat industry on the environment and combat climate change.

2. Elimination of Single-Use Plastics

We are determined to be responsible consumers. Effective January 2019, the QI Group has decided to ban single-use plastics from all our offices, events, and conventions. Employees are actively encouraged to follow sustainable practices by eliminating plastic from their lifestyle and reusing and recycling more instead.

We have started taking the following measures to reduce our usage of single-use plastics:

- Replacing plastic straws with bamboo straws in our resorts and hotels.
- A starter kit (a stainless-steel straw, a reusable mug, a foldable tote bag) is given to all employees to discourage them from using items like plastic straws, plastic cups, and plastic bags.

3. Eco-friendly Headquarters

In 2013, the Building and Construction Authority (BCA) of Singapore awarded its prestigious Green Mark Gold award to the 15-storey QI Tower in Malaysia - QI Group's operational headquarters - in recognition of its best practices in environmental design and performance, which meet the requirements for energy and water efficiency, building management, indoor environmental quality, and innovation. QI Tower saves at least 20 percent in energy and resources such as water and is Malaysia's first high-rise to be awarded the Green Mark Gold award.

When QI Group purchased the building in 2010, we decided it had to be modified in line with our goal of sustainability, leading not only to cost savings but a better and healthier environment for our employees.

4. Sustainable Retail

Our retail chain, Down to Earth, extends our advocacy for sustainability in business by fully supporting local farmers and vendors and strengthening Hawaii's island community. The retail chain purchases over USD 4 million in products from more than 400 local vendors yearly. Down to Earth is also a strong supporter of Fair Trade. This social movement helps farmers and artisans in developing countries to get better trading terms and promotes environmental sustainability.

5. Sustainable Product Strategy

We have the vision and the commitment to become a sustainable company that not only delivers financial results but also seeks to create value that benefits our society and the planet, thus contributing to the Group's triple bottom line (social, environmental, and financial).

Our direct selling company QNET promotes purpose-driven products in the spirit of product sustainability. QNET products are designed and developed to have a purpose and a positive impact on society and the environment.

QNET is also committed to sourcing only from sustainable and ethical suppliers. All QNET suppliers strictly adhere to QNET's Code of Conduct for Supply Chain Verification and address issues such as child labour, environment and safety, employee working conditions, etc.

QNET also focuses on sustainable packaging by using environmentally friendly materials and eliminating single-use plastic in all its products.

a) Recycled Gold

- i. 90% of QNET's jewellery suppliers are members of the Responsible Jewellery Council (RJC). RJC is a global membership and standards body responsible for jewellery throughout the entire supply chain to reduce unlawful mining practices and improve supply chain traceability. QNET's suppliers do not use any gold from mining activities. They are independently audited against the RJC Code of Practices which addresses human rights, labour rights, environmental impact, mining practices and product disclosure.

b) Eco-conscious packaging

- i. We consider the long-term environmental impact our packaging has on the environment. Our product packaging materials and designs have been produced with minimal environmental impact. This includes using sustainable materials for product packaging and security seals, which are biodegradable or can be recycled. We have reduced waste by creating packaging that can be repurposed. Product leaflets and cards are also digitised to minimise the need for printing such materials.

- c) Plant-based nutritional products
 - i. Our Lifeqode nutrition products are natural and made from 100% plant-based ingredients. We have also changed the product's security seal to a plastic-free version. The packaging has changed from using Spot UV to blind emboss, which is more eco-friendly.
- d) Cruelty-free
 - i. Our personal care products are vegan and cruelty-free.
- e) Greener logistics
 - i. Our products are shipped through climate-responsible logistics partners. We are committed to reducing our emissions per product shipment.

6. Planting a Green Legacy

The United Nations' Sustainable Development Goals (SDGs) identify reforestation and sustainable forest management as key to combating climate change. The QI Group supports the critical role of forests in the livelihoods, ecology, culture, and health of the communities in which it operates.

Through its e-commerce based direct selling company, QNET, the Group launched the Green Legacy programme in partnership with Certified B Corporation, EcoMatcher.

This partnership entails the rollout of the first phase of the programme by planting forests comprising 1000 trees each in the UAE, Kenya and the Philippines. The programme contributes to UN's SDGs 10 (Reduced Inequalities), 13 (Climate Action), and 15 (Life on Land). The three QNET forests collectively support the families of 15 planters in these countries and will sequester 750 tonnes of CO₂ over the lifetime of the trees.

Reiterating its commitment to sustainability, the QI Group will continue to promote a sustainable corporate culture.

7. Other green initiatives

- i. Planting tree saplings in Turkey. Turkey was ravaged by hundreds of wildfires last year that burnt 1,700 square kilometres of forested areas, particularly in the southern regions. Our QNET office in Turkey contributed and helped plant 1000 tree saplings in a joint effort with a local non-profit, the Association for Solidarity of Environmental Organisations (CEKUD). CEKUD was established in 1999 by environmental volunteers from various occupational groups. The association aims to raise environmental awareness, develop ecological ethics, and encourage the public to be more environmentally sensitive.
- ii. Annual eco clean-up event in Almaty City, Kazakhstan. The eco clean-up CSR event is conducted with the support of the RYTHM Foundation and local partners, Recycle Birge. Recycle Birge, which translates into 'Recycle Together', is a social movement with a mission to help people and businesses consciously introduce eco-friendly habits through environmental education in all possible formats. Last year, the group collected 35 kilograms of discarded waste during their clean-up event at the Turgen Waterfalls.

8. Education in Sustainability

Our education arm, Quest International University (QIU) in Malaysia, firmly believes that as a higher education institution, it is essential to integrate sustainability into our academic activities to ensure that our graduates are fully immersed in sustainability practises that will educate and make them responsible citizens of the future.

The QIU SDG Steering Committee leads QIU's sustainability drive, a multi-faculty committee that consists of four clusters: Education, Research, Leadership, and Operations. Each cluster looks into different areas of concern within the university to plan and implement initiatives that achieve the Sustainable Development Goals.

Their main objective is to raise awareness of the SDGs, as they believe that increased awareness will improve the efficiency and effectiveness of its initiatives.

"Sustainable Development in Malaysia" has been developed and offered as a MOOC (Massive Open Online Course) to all students from Oct/Nov 2020. It is categorised as a general education compulsory course for graduation. Elements of the course emphasise the SDGs and the implementation of the goals in actual events.

Students play a vital role in the SDG initiatives, as they will carry on tomorrow's sustainability efforts.

9. Research in Solutions for Sustainability

Research is a crucial focus of our university, QIU. It actively researches the causes and develops solutions for the SDGs. Currently, the University has 31 ongoing research projects contributing to several SDGs, namely 2 (Zero Hunger), 3 (Good Health & Well-Being), 6 (Clean Water & Sanitisation), 9 (Industry, Innovation and Infrastructure), 14 (Life Below Water) and 15 (Life on Land).

The research areas covered are environmental technology, agriculture, aquaculture, plant molecular biology and medical entomology.

10. Leadership in Sustainability

We are constantly raising awareness and seeking opportunities to engage local and international communities and partners as advocates for the SDGs.

The QI Group is honoured to be featured in the 50 Sustainability & Climate Leaders Project web series published on Bloomberg and the Global Thought Leaders series on CBS News. This project is a response from the international business community, comprising prominent multinational companies that demonstrate the desire, leadership, and will to take effective action in the fight against Climate Change.

Watch the QI Group documentary on CBS News - <https://www.cbsnews.com/video/qi-group-building-a-sustainable-world/#x>

Our education and research arm, QIU and its commitment to the SDGs has also been recognised by the international community after making its debut on the Times Higher Education (THE) Impact Rankings 2021.

The Times Higher Education Impact Rankings are the only global performance tables that rank universities against the UN SDGs. The rankings use carefully calibrated indicators to provide comprehensive and balanced comparisons in three broad areas: research, outreach and stewardship.

For the second year in a row, QIU's sustainability efforts have received international recognition—and they were listed in the Times Higher Education (THE) Impact Rankings 2022! QIU is one of 23 Malaysian universities to make the rankings, among 1,408 institutions. Their work towards the "Reducing Inequalities" Sustainable Development Goal landed QIU among the top 200 institutions worldwide, and the university has maintained its overall placing in the 600-801 bracket.

QIU is increasingly being recognised for its innovation and research. The University participated in the Malaysia Technology Expo (MTE) and walked away with 13 accolades at the MTE 2021: SDG International Innovation Awards (SDGIIA). Among their sterling achievements include the gold award for a sustainable solution to enhance crop performance under phosphorus deficiency and silver for Paint-ILs: Ionic liquid as a green corrosion inhibitor in paint formulation for ferrous metals.

Implementation

QI Group has taken the following measures to ensure the proper implementation of our environmental policies:

- Regular educational campaigns on the benefits of a plant-based diet and lifestyle.

- Regular educational campaigns on the benefits of not using single-use plastic items.
- Employee engagement activities to promote compliance with the policies.
- Provide healthy and delicious vegetarian meals at company events.
- Run social media campaigns to promote healthy plant-based diets.
- Replace all plastic straws with bamboo straws in our resorts and hotels.
- Continue to pursue efforts to increase the use of sustainable materials in our products' sourcing and packaging.
- Educate and train our employees to adopt sustainable practices at our offices and events.
- Undertake research projects to provide solutions for the environment, e.g., creating sustainable, eco-friendly plastic sand bricks, detecting and identifying the types of microplastic in freshwater and elucidating the role of proline in enhancing phosphorus use efficiency in rice cultivation under phosphorus-deficient conditions.
- Promoting energy saving initiatives - power saving, paperless, zero-waste.
- Strengthening business processes and SOP on sustainability efforts.
- Organised a sustainability event with QIU - Sustainable Webinar 2.0 Surviving COVID-19: Being Human, Touching Hearts. The webinar invited leaders, academic experts and heads of social welfare organisations to share their real-world experiences of helping people during the pandemic. By doing so, the webinar aimed to determine how society can improve its charitable efforts and help more people in the future.
- QIU initiated a joint venture with India's SAGE University Bhopal to organise a plant tissue culture course that aims to equip potential tissue culturists in the art of manipulating plants in vitro. Plant tissue culture is an ever-expanding field that has significantly impacted the global agricultural and horticultural scene. The rapid growth of the large-scale plant tissue culture industry has proven how the science behind the mass propagation of plants via plant cell, tissue, and organ culture has benefitted global food production.

Measurement of outcomes

QI Group has an open-door policy where feedback from employees on how we can improve is always encouraged and welcomed. Each policy has an owner and a team to monitor and report on the progress.

D. Anti-corruption Principles

Often companies overlook why corruption, bribery, and other unethical practices are illegal and immoral. Of course, it creates unfair competition, and certainly, it is contrary to laws. The longer-lasting effects of corruption ensure no one comes out a winner. Corruption is destabilising economies, erodes political legitimacy, and tears the fabric of social cooperation. Markets without these three facets of life intact are not just poor for businesses to strive, but for people to thrive. The cycle of corruption then continues until someone puts a stop to it. Only at that point can nations build themselves up.

That is the kind of change that the QI Group wants to be. QI Group has a zero-tolerance policy on corruption, bribery and extortion and pursues all business transactions honestly and ethically. The following bribery policy is in the company's Standards of Conduct: "QI Group prohibits the offer, gift, or acceptance of a bribe in any form, including kickbacks, on any portion of a contract payment, or the use of other routes or channels to provide improper benefits to customers, agents, contractors, suppliers or employees of any such parties, 3rd parties or government/quasi-government officials (regardless of any jurisdiction)".

QI Group prohibits an employee from arranging or accepting a bribe or kickback from customers, agents, contractors, suppliers, or employees of any such party or from government officials/quasi-government (regardless of any jurisdiction) for the employee's benefit or that of the employee's family, friends, associates or acquaintances. This includes, without limitation, any indirect benefit or other benefits in kind which may be received. This is also important because that means the products or services we are sourcing from within markets represent fair trade and growth to the best vendors possible. Growth in those businesses means we bring the best products to market, and the market improves its homegrown businesses as well.

Implementation

QI Group's Standards of Conduct include policies on anti-corruption and bribery and response to incidents. Policy violators will be subject to disciplinary action up to and including termination. There is no room for those at QI that bring down our company or the countries we operate in.

Measurement of outcomes

QI Group does not tolerate corruption or bribery in any of its locations. We have an open-door whistle-blower policy in place that encourages employees, partners and customers to report back if they suspect any infringement of our Standards of Conduct. Any reported corruption will be dealt with stringently in accordance with company policy.